

Senate File 458

SENATE FILE _____
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1207)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to public expenditure and regulatory matters,
2 compensating public employees, making and reducing
3 appropriations, modifying sales and use taxes, modifying the
4 investment tax credits and premium taxes on mutual insurance
5 associations, providing for related matters, making penalties
6 applicable, and providing effective dates.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

8 SF 458

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1 1 DIVISION I
1 2 MH/MR/DD ALLOWED GROWTH
1 3 Section 1. Section 426B.5, subsection 2, paragraph d,
1 4 subparagraphs (1) and (6), Code 2003, are amended to read as
1 5 follows:

1 6 (1) A county must apply to the board for assistance from
1 7 the risk pool on or before ~~April 1~~ January 25 to cover an
1 8 unanticipated net expenditure amount in excess of the county's
1 9 current fiscal year budgeted net expenditure amount for the
1 10 county's services fund. The risk pool board shall make its
1 11 final decisions on or before February 25 regarding acceptance
1 12 or rejection of the applications for assistance and the total
1 13 amount accepted shall be considered obligated. For purposes
1 14 of applying for risk pool assistance and for repaying unused
1 15 risk pool assistance, the current fiscal year budgeted net
1 16 expenditure amount shall be deemed to be the higher of either
1 17 the budgeted net expenditure amount in the management plan
1 18 approved under section 331.439 for the fiscal year in which
1 19 the application is made or the prior fiscal year's net
1 20 expenditure amount.

1 21 (6) The total amount of risk pool assistance shall be
1 22 limited to the amount available in the risk pool for a fiscal
1 23 year. If the total amount of eligible assistance exceeds the
1 24 amount available in the risk pool the amount of assistance
1 25 paid shall be prorated among the counties eligible for
1 26 assistance. Moneys remaining unexpended or unobligated in the
1 27 risk pool ~~at the close of a fiscal year shall remain available~~
1 28 ~~for distribution in the succeeding fiscal year following the~~
1 29 ~~risk pool board's decisions made pursuant to subparagraph (1)~~
1 30 ~~shall be distributed to the counties eligible to receive~~
1 31 ~~funding from the allowed growth factor adjustment~~
1 32 ~~appropriation for the fiscal year using the distribution~~
1 33 ~~methodology applicable to that appropriation.~~

1 34 Sec. 2. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
1 35 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT
2 1 AND ALLOCATIONS == FISCAL YEAR 2004=2005.

2 2 1. There is appropriated from the general fund of the
2 3 state to the department of human services for the fiscal year
2 4 beginning July 1, 2004, and ending June 30, 2005, the
2 5 following amount, or so much thereof as is necessary, to be
2 6 used for the purpose designated:

2 7 For distribution to counties of the county mental health,
2 8 mental retardation, and developmental disabilities allowed
2 9 growth factor adjustment, as provided in this section in lieu
2 10 of the provisions of section 331.438, subsection 2, and
2 11 section 331.439, subsection 3, and chapter 426B:

2 12 \$ 23,738,749

2 13 2. The funding appropriated in this section is the allowed
2 14 growth factor adjustment for fiscal year 2004=2005, and is
2 15 allocated as follows:

2 16 a. For distribution as provided by law:

2 17 \$ 21,738,749

2 18 b. For deposit in the risk pool created in the property
2 19 tax relief fund and for distribution in accordance with

2 20 section 426B.5, subsection 2:
2 21 \$ 2,000,000
2 22 Sec. 3. 2002 Iowa Acts, chapter 1175, section 104,
2 23 subsections 2, 4 and 5, as amended by 2003 Iowa Acts, House
2 24 File 667, section 41, are amended to read as follows:
2 25 2. The following formula amounts shall be utilized only to
2 26 calculate preliminary distribution amounts for fiscal year
2 27 2003=2004 under this section by applying the indicated formula
2 28 provisions to the formula amounts and producing a preliminary
2 29 distribution total for each county:
2 30 a. For calculation of an allowed growth factor adjustment
2 31 amount for each county in accordance with the formula in
2 32 section 331.438, subsection 2, paragraph "b":
2 33 \$ 12,000,000
2 34 b. For calculation of a distribution amount for eligible
2 35 counties from the per capita expenditure target pool created
3 1 in the property tax relief fund in accordance with the
3 2 requirements in section 426B.5, subsection 1:
3 3 \$ ~~12,492,712~~
3 4 14,492,000
3 5 c. For calculation of a distribution amount for counties
3 6 from the mental health and developmental disabilities (MH/DD)
3 7 community services fund in accordance with the formula
3 8 provided in the appropriation made for the MH/DD community
3 9 services fund for the fiscal year beginning July 1, 2003:
3 10 \$ 17,727,890
3 11 4. After applying the applicable statutory distribution
3 12 formulas to the amounts indicated in subsection 2 for purposes
3 13 to produce preliminary distribution totals, the department of
3 14 human services shall apply a withholding factor to adjust an
3 15 eligible individual county's preliminary distribution total.
3 16 An ending balance percentage for each county shall be
3 17 determined by expressing the county's ending balance on a
3 18 modified accrual basis under generally accepted accounting
3 19 principles for the fiscal year beginning July 1, 2002, in the
3 20 county's mental health, mental retardation, and developmental
3 21 disabilities services fund created under section 331.424A, as
3 22 a percentage of the county's gross expenditures from that fund
3 23 for that fiscal year. The withholding factor for a county
3 24 shall be the following applicable percent:
3 25 a. For an ending balance percentage of less than 10
3 26 percent, a withholding factor of 0 percent. In addition to
3 27 the county's adjusted distribution total, a county that is
3 28 subject to this paragraph "a" shall receive an inflation
3 29 adjustment equal to 2.6 percent of the gross expenditures
3 30 reported for the county's services fund for that fiscal year.
3 31 b. For an ending balance percentage of 10 through 24
3 32 percent, a withholding factor of 25 percent.
3 33 c. For an ending balance percentage of 25 through 34
3 34 percent, a withholding factor of 60 percent.
3 35 d. ~~For an ending balance percentage of 35 through 44~~
4 1 ~~percent, a withholding factor of 85 percent.~~
4 2 e. ~~d.~~ For an ending balance percentage of ~~45~~ 35 percent or
4 3 more, a withholding factor of 100 percent.
4 4 5. The total withholding amounts applied pursuant to
4 5 subsection 4 shall be equal to a withholding target amount of
4 6 ~~\$7,419,074 and the appropriation enacted by the Eightieth~~
4 7 ~~General Assembly, 2003 Session, for the MH/DD community~~
4 8 ~~services fund shall be reduced by the amount necessary to~~
4 9 ~~attain the withholding target amount \$9,418,362.~~ If the
4 10 department of human services determines that the amount to be
4 11 withheld in accordance with subsection 4 is not equal to the
4 12 target withholding amount, the department shall adjust the
4 13 withholding factors listed in subsection 4 as necessary to
4 14 achieve the withholding target amount. However, in making
4 15 such adjustments to the withholding factors, the department
4 16 shall strive to minimize changes to the withholding factors
4 17 for those ending balance percentage ranges that are lower than
4 18 others and shall not adjust the zero withholding factor or the
4 19 inflation adjustment percentage specified in subsection 4,
4 20 paragraph "a".

4 21 DIVISION II

4 22 STANDING APPROPRIATIONS == REDUCTIONS

4 23 Sec. 4. GENERAL ASSEMBLY. The appropriations made
4 24 pursuant to section 2.12 for the expenses of the general
4 25 assembly and legislative agencies for the fiscal year
4 26 beginning July 1, 2003, and ending June 30, 2004, are reduced
4 27 by the following amount:
4 28 \$ 2,000,000
4 29 Sec. 5. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding
4 30 section 8.56, subsection 4, there is appropriated from the

4 31 cash reserve fund to the rebuild Iowa infrastructure fund
4 32 created in section 8.57 for the fiscal year beginning July 1,
4 33 2002, and ending June 30, 2003, the following amount:
4 34 \$ 2,150,000

4 35 Sec. 6. ENVIRONMENT FIRST FUND. Notwithstanding the
5 1 amount of the standing appropriation from the rebuild Iowa
5 2 infrastructure fund under section 8.57A, subsection 4, there
5 3 is appropriated from the rebuild Iowa infrastructure fund to
5 4 the environment first fund, in lieu of the appropriation made
5 5 in section 8.57A, for the fiscal year beginning July 1, 2002,
5 6 and ending June 30, 2003, the following amount:
5 7 \$ 18,445,000

5 8 Sec. 7. AT=RISK CHILDREN PROGRAMS. Notwithstanding the
5 9 standing appropriation in section 279.51, subsection 1, the
5 10 amount appropriated from the general fund of the state under
5 11 section 279.51, subsection 1, to the department of education
5 12 for the fiscal year beginning July 1, 2003, and ending June
5 13 30, 2004, is reduced by the following amount:
5 14 \$ 1,000,000

5 15 The amount of the reduction in this section shall be
5 16 prorated among the programs specified in section 279.51,
5 17 subsection 1, paragraphs "a", "b", and "c".

5 18 Sec. 8. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
5 19 Notwithstanding section 312.2, subsection 14, the amount
5 20 appropriated from the general fund of the state under section
5 21 312.2, subsection 14, to the state department of
5 22 transportation for public transit assistance under chapter
5 23 324A for the fiscal year beginning July 1, 2003, and ending
5 24 June 30, 2004, is reduced by the following amount:
5 25 \$ 1,298,675

5 26 Sec. 9. Section 294A.25, subsection 1, Code 2003, is
5 27 amended to read as follows:
5 28 1. For the fiscal year beginning July 1, ~~2000~~ 2003, and
5 29 for each succeeding year, there is appropriated from the
5 30 general fund of the state to the department of education the
5 31 amount of ~~eighty fifty=six~~ million eight hundred ninety=one
5 32 thousand three hundred thirty=six dollars to be used to
5 33 improve teacher salaries. The moneys shall be distributed as
5 34 provided in this section.

5 35 Sec. 10. EFFECTIVE DATE. The sections of this division of
6 1 this Act relating to the appropriations made to the rebuild
6 2 Iowa infrastructure fund and environment first fund for the
6 3 fiscal year beginning July 1, 2002, being deemed of immediate
6 4 importance, take effect upon enactment.

6 5 DIVISION III
6 6 STANDING APPROPRIATIONS == LIMITATIONS

6 7 Sec. 11. Notwithstanding the standing appropriations in
6 8 the following designated sections for the fiscal year
6 9 beginning July 1, 2003, and ending June 30, 2004, the amounts
6 10 appropriated from the general fund of the state pursuant to
6 11 those sections for the following designated purposes shall not
6 12 exceed the following amounts:
6 13 1. For compensation of officers and enlisted persons and
6 14 their expenses while on state active duty as authorized in
6 15 section 29A.27:
6 16 \$ 432,450

6 17 2. For payment for nonpublic school transportation under
6 18 section 285.2:
6 19 \$ 7,799,550

6 20 If total approved claims for reimbursement for nonpublic
6 21 school pupil transportation claims exceed the amount
6 22 appropriated in this section, the department of education
6 23 shall prorate the amount of each claim.

6 24 3. For printing cigarette tax stamps under section 453A.7:
6 25 \$ 110,055

6 26 4. For the state's share of the cost of the peace
6 27 officers' retirement benefits under section 411.20:
6 28 \$ 2,816,189

6 29 5. For payment of livestock production credit refunds
6 30 under section 422.121:
6 31 \$ 1,815,735

6 32 6. For reimbursement for the homestead property tax credit
6 33 under section 425.1:
6 34 \$105,585,004

6 35 7. For reimbursement for the agricultural land and family
7 1 farm tax credits under section 426.1:
7 2 \$ 35,497,624

7 3 8. For reimbursement for the military service tax credit
7 4 under section 426A.1A:
7 5 \$ 2,569,712

7 6 9. For administration expenses of the state unemployment

7 7 compensation law under chapter 96:
7 8 \$ 450,000
7 9 10. For payment of certain interest costs due the federal
7 10 government under the federal Cash Management and Improvement
7 11 Act under section 421.31:
7 12 \$ 550,000
7 13 11. For funding the state's deferred compensation program
7 14 established for state employees under section 509A.12:
7 15 \$ 56,501
7 16 Sec. 12. ELDERLY AND DISABLED CREDIT. Notwithstanding the
7 17 standing appropriation in section 425.39, the amount
7 18 appropriated from the general fund of the state under section
7 19 425.39, for the fiscal year beginning July 1, 2003, and ending
7 20 June 30, 2004, for purposes of implementing the elderly and
7 21 disabled credit and reimbursement portion of the extraordinary
7 22 property tax and reimbursement division of chapter 425, shall
7 23 not exceed \$16,651,800. The director shall pay, in full, all
7 24 claims to be paid during the fiscal year beginning July 1,
7 25 2003, for reimbursement of rent constituting property taxes
7 26 paid. If the amount of claims for credit for property taxes
7 27 due to be paid during the fiscal year beginning July 1, 2003,
7 28 exceeds the amount remaining after payment to renters, the
7 29 director of revenue and finance shall prorate the payments to
7 30 the counties for the property tax credit. In order for the
7 31 director to carry out the requirements of this section,
7 32 notwithstanding any provision to the contrary in sections
7 33 425.16 through 425.39, claims for reimbursement for rent
7 34 constituting property taxes paid filed before May 1, 2004,
7 35 shall be eligible to be paid in full during the fiscal year
8 1 ending June 30, 2004, and those claims filed on or after May
8 2 1, 2004, shall be eligible to be paid during the fiscal year
8 3 beginning July 1, 2004, and the director is not required to
8 4 make payments to counties for the property tax credit before
8 5 June 15, 2004.
8 6 Sec. 13. REDUCTION IN CREDITS NOT APPLICABLE. The
8 7 provision in section 25B.7 relating to the proration of the
8 8 property tax credits does not apply with respect to the amount
8 9 of state reimbursement for property tax credits under this
8 10 division.
8 11 DIVISION IV
8 12 REVENUE ADJUSTMENTS == APPROPRIATIONS
8 13 Sec. 14. IOWA ECONOMIC EMERGENCY AND RESERVE FUNDS ==
8 14 EARNINGS. Notwithstanding section 8.55, subsection 4, and
8 15 section 8.56, subsection 1, for the fiscal year beginning July
8 16 1, 2003, and ending June 30, 2004, the interest and earnings
8 17 on moneys deposited in the Iowa economic emergency fund and
8 18 the cash reserve fund shall be credited to the general fund of
8 19 the state.
8 20 Sec. 15. USE OF REVERSIONS. Notwithstanding section 8.62,
8 21 if on June 30, 2004, a balance of an operational
8 22 appropriation, as defined in section 8.62, except for the
8 23 balances of charter agencies, as defined in section 7J.1, if
8 24 enacted by 2003 Iowa Acts, Senate File 453, remains unexpended
8 25 or unencumbered, the balance shall revert to the general fund
8 26 of the state as provided in section 8.33.
8 27 Sec. 16. KEEP IOWA BEAUTIFUL FUND. For the fiscal years
8 28 beginning July 1, 2002, and July 1, 2003, moneys credited to
8 29 the keep Iowa beautiful fund in accordance with section
8 30 422.12A are appropriated to the state department of
8 31 transportation to be used for the purposes provided in section
8 32 314.28.
8 33 Sec. 17. ENDOWMENT FOR IOWA'S HEALTH. For the fiscal year
8 34 beginning July 1, 2003, and ending June 30, 2004, of the
8 35 \$70,000,000 to be deposited in the endowment for Iowa's health
9 1 account of the tobacco settlement trust fund under 2001 Iowa
9 2 Acts, chapter 174, section 1, subsection 1, the following
9 3 amount shall instead be deposited in the general fund of the
9 4 state:
9 5 \$ 20,000,000
9 6 Sec. 18. JUNIOR OLYMPICS. There is appropriated from the
9 7 general fund of the state to the department of economic
9 8 development for the fiscal year beginning July 1, 2003, and
9 9 ending June 30, 2004, the following amount, or so much thereof
9 10 as is necessary, to be used for the purpose designated:
9 11 For providing assistance to a city or nonprofit
9 12 organization hosting the national junior olympics:
9 13 \$ 50,000
9 14 Sec. 19. REBUILD IOWA INFRASTRUCTURE FUND.
9 15 Notwithstanding section 8.57, subsection 5, there is
9 16 appropriated from the rebuild Iowa infrastructure fund
9 17 created in section 8.57, subsection 5, to the general

9 18 fund of the state during the fiscal year beginning
 9 19 July 1, 2003, and ending June 30, 2004, the following
 9 20 amount:
 9 21 \$ 10,000,000
 9 22 Sec. 20. IOWA LAW ENFORCEMENT ACADEMY. 2003 Iowa Acts,
 9 23 Senate File 439, section 10, subsection 1, unnumbered
 9 24 paragraph 2, if enacted, is amended to read as follows:
 9 25 For salaries, support, maintenance, miscellaneous purposes,
 9 26 including jailer training and technical assistance, and for
 9 27 not more than the following full-time equivalent positions:
 9 28 \$ ~~1,002,629~~
 9 29 1,047,629
 9 30 FTEs 30.05
 9 31 Sec. 21. MILITARY PAY DIFFERENTIAL. There is appropriated
 9 32 from the cash reserve fund to the department of revenue and
 9 33 finance or its successor agency for the period beginning March
 9 34 19, 2003, and ending June 30, 2003, the following amount, or
 9 35 so much thereof as is necessary, for the purposes designated:
 10 1 For a military pay differential program and health
 10 2 insurance retention program for individuals activated for the
 10 3 armed services of the United States, for employees on the
 10 4 central payroll system:
 10 5 \$ 1,810,000
 10 6 Of the funds appropriated in this section, up to \$10,000 is
 10 7 transferred to the Iowa department of public health for
 10 8 allocation to community mental health centers to provide
 10 9 counseling services to persons who are members of the national
 10 10 guard and reservists activated but as yet not sent to combat
 10 11 zones and to the persons' family members. The sessions shall
 10 12 be provided on a first come, first served basis and shall be
 10 13 limited to three visits per family.
 10 14 The department or agency receiving funds under this section
 10 15 shall report monthly to the fiscal committee of the
 10 16 legislative council on the use of the funds.
 10 17 Notwithstanding section 8.33, unencumbered or unobligated
 10 18 funds remaining on June 30, 2003, from the appropriation made
 10 19 in this section shall not revert but shall remain available to
 10 20 be used for the purposes designated in the following fiscal
 10 21 year.
 10 22 Sec. 22. ASSISTED LIVING PROGRAMS. Notwithstanding
 10 23 section 231C.6, any fees remaining on June 30, 2003, in the
 10 24 assisted living program fund created pursuant to section
 10 25 231C.6 are appropriated to the department of inspections and
 10 26 appeals for the fiscal year beginning July 1, 2003, and ending
 10 27 June 30, 2004, to carry out the purposes of chapter 231C.
 10 28 Sec. 23. COUNTY HOSPITALS. There is appropriated from the
 10 29 general fund of the state to the department of human services
 10 30 for the fiscal year beginning July 1, 2003, and ending June
 10 31 30, 2004, the following amount, or so much thereof as is
 10 32 necessary, for the purpose designated:
 10 33 For support of operational expenses of county hospitals in
 10 34 counties having a population of two hundred twenty-five
 10 35 thousand or more:
 11 1 \$ 312,000
 11 2 Sec. 24. WORKFORCE DEVELOPMENT. There is appropriated
 11 3 from the general fund of the state to the Iowa department of
 11 4 workforce development for the fiscal year beginning July 1,
 11 5 2003, and ending June 30, 2004, the following amount, or so
 11 6 much thereof as is necessary, for the purpose designated:
 11 7 For salaries and support and for the following full-time
 11 8 equivalent positions:
 11 9 \$ 250,000
 11 10 FTEs 5.00
 11 11 The appropriation in this section shall be used for four
 11 12 OSHA inspectors and one workers' compensation compliance
 11 13 officer. The appropriation in this section is contingent upon
 11 14 the enactment of 2003 Iowa Acts, Senate File 344, by the
 11 15 Eightieth General Assembly, 2003 Regular Session.
 11 16 Sec. 25. UNEMPLOYMENT TRUST FUND. There is appropriated
 11 17 from moneys transferred to the state on March 13, 2002,
 11 18 pursuant to section 903(d) of the federal Social Security Act,
 11 19 as amended, to the department of workforce development, the
 11 20 following amount, to be deposited, under the direction of the
 11 21 department of workforce development, in the unemployment
 11 22 compensation fund for the payment of unemployment benefits and
 11 23 for the establishment of the unemployment compensation reserve
 11 24 fund:
 11 25 \$ 40,000,000
 11 26 Sec. 26. UNEMPLOYMENT TAX AND CLAIM SYSTEM. There is
 11 27 appropriated from moneys transferred to the state on March 13,
 11 28 2002, pursuant to section 903(d) of the federal Social

11 29 Security Act, as amended, to the department of workforce
11 30 development, the following amount for purposes of automation
11 31 and technology for the unemployment tax and claim system:
11 32 \$ 20,000,000
11 33 Sec. 27. ENHANCED SERVICES TO CLAIMANTS. There is
11 34 appropriated from moneys transferred to the state on March 13,
11 35 2002, pursuant to section 903(d) of the federal Social
12 1 Security Act, as amended, to the department of workforce
12 2 development the following amount for purposes of
12 3 infrastructure improvements and the administrative and
12 4 technology costs associated with enhanced services to
12 5 unemployment benefit claimants for workforce and labor
12 6 exchange services:
12 7 \$ 20,700,000
12 8 Sec. 28. FEDERAL FISCAL RELIEF FUNDING. If the
12 9 one hundred eighth United States Congress enacts an
12 10 economic stimulus package that includes the provision
12 11 of discretionary funding to the state to provide state
12 12 or local government fiscal relief, the funding shall
12 13 be deposited in the fund created by section 8.41.
12 14 Sec. 29. Section 8.55, subsection 2, paragraph c, Code
12 15 2003, is amended to read as follows:
12 16 c. Notwithstanding paragraph "a", any moneys in excess of
12 17 the maximum balance in the economic emergency fund after the
12 18 distribution of the surplus in the general fund of the state
12 19 at the conclusion of each fiscal year and after the
12 20 appropriate amount has been transferred pursuant to paragraph
12 21 "b", shall not be transferred to the general fund of the state
12 22 but shall be transferred to the senior living trust fund. The
12 23 total amount transferred, in the aggregate, under this
12 24 paragraph for all fiscal years shall not exceed ~~fifty-one one~~
12 25 ~~hundred eighteen million five hundred thousand~~ dollars.
12 26 Sec. 30. Section 8.55, subsection 2, paragraph d, Code
12 27 2003, is amended to read as follows:
12 28 d. Notwithstanding paragraph "a", any moneys in excess of
12 29 the maximum balance in the economic emergency fund after the
12 30 distribution of the surplus in the general fund of the state
12 31 at the conclusion of each fiscal year and after the
12 32 appropriate amounts have been transferred pursuant to
12 33 paragraphs "b" and "c" shall not be transferred to the general
12 34 fund of the state but shall be transferred to the endowment
12 35 for Iowa's health account of the tobacco settlement trust
13 1 fund. The total amount transferred, in the aggregate, under
13 2 this paragraph for all fiscal years shall not exceed the
13 3 difference between ~~sixty one hundred one~~ million ~~five seven~~
13 4 ~~hundred fifty-one~~ thousand dollars and the amounts transferred
13 5 to the endowment for Iowa's health account to repay the
13 6 amounts transferred or appropriated from the endowment for
13 7 Iowa's health account in 2002 Iowa Acts, chapter 1165, 2002
13 8 Iowa Acts, chapter 1166, 2002 Iowa Acts, chapter 1167, ~~and~~
13 9 2002 Iowa Acts, Second Extraordinary Session, chapter 1003,
13 10 ~~and 2003 Iowa Acts, House File 685.~~
13 11 Sec. 31. Section 8.57, subsection 1, paragraph a,
13 12 unnumbered paragraph 1, Code Supplement 2001, as enacted by
13 13 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
13 14 section 28, is amended to read as follows:
13 15 The "cash reserve goal percentage" for fiscal years
13 16 beginning on or after July 1, ~~2003~~ 2004, is seven and one-half
13 17 percent of the adjusted revenue estimate. For each fiscal
13 18 year ~~beginning on or after July 1, 2003~~, in which the
13 19 appropriation of the surplus existing in the general fund of
13 20 the state at the conclusion of the prior fiscal year pursuant
13 21 to paragraph "b" was not sufficient for the cash reserve fund
13 22 to reach the cash reserve goal percentage for the current
13 23 fiscal year, there is appropriated from the general fund of
13 24 the state an amount to be determined as follows:
13 25 Sec. 32. Section 96.9, Code 2003, is amended by adding the
13 26 following new subsection:
13 27 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION RESERVE
13 28 FUND.
13 29 a. A special fund to be known as the unemployment
13 30 compensation reserve fund is created in the state treasury.
13 31 The reserve fund is separate and distinct from the
13 32 unemployment compensation fund. All moneys collected as
13 33 reserve contributions, as defined in paragraph "b", shall be
13 34 deposited in the reserve fund. The moneys in the reserve fund
13 35 may be used for the payment of unemployment benefits and shall
14 1 remain available for expenditure in accordance with the
14 2 provisions of this subsection. The treasurer of state shall
14 3 be the custodian of the reserve fund and shall disburse the
14 4 moneys in the reserve fund in accordance with this subsection

14 5 and the directions of the director of the department of
14 6 workforce development.

14 7 b. If the balance in the reserve fund on July 1 of the
14 8 preceding calendar year for calendar year 2004 and each year
14 9 thereafter is less than one hundred fifty million dollars, a
14 10 percentage of contributions, as determined by the director,
14 11 shall be deemed to be reserve contributions for the following
14 12 calendar year. If the percentage of contributions, termed the
14 13 reserve contribution tax rate, is not zero percent as
14 14 determined pursuant to this subsection, the combined tax rate
14 15 of contributions to the unemployment compensation fund and to
14 16 the unemployment compensation reserve fund shall be divided so
14 17 that a minimum of fifty percent of the combined tax rate
14 18 equals the unemployment contribution tax rate and a maximum of
14 19 fifty percent of the combined tax rate equals the reserve
14 20 contribution tax rate except for employers who are assigned a
14 21 combined tax rate of five and four-tenths. For those
14 22 employers, the reserve contribution tax rate shall equal zero
14 23 and their combined tax rate shall equal their unemployment
14 24 contribution rate. When the reserve contribution tax rate is
14 25 determined to be zero percent, the unemployment contribution
14 26 rate for all employers shall equal one hundred percent of the
14 27 combined tax rate. The reserve contributions collected in any
14 28 calendar year shall not exceed fifty million dollars. The
14 29 provisions for collection of contributions under section 96.14
14 30 are applicable to the collection of reserve contributions.
14 31 Reserve contributions shall not be deducted in whole or in
14 32 part by any employer from the wages of individuals in its
14 33 employ. All moneys collected as reserve contributions shall
14 34 not become part of the unemployment compensation fund but
14 35 shall be deposited in the reserve fund created in this

15 1 subsection.
15 2 c. Moneys in the reserve fund shall only be used to pay
15 3 unemployment benefits to the extent moneys in the unemployment
15 4 compensation fund are insufficient to pay benefits during a
15 5 calendar quarter.

15 6 d. The interest earned on the moneys in the reserve fund
15 7 shall be deposited in and credited to the reserve fund.

15 8 e. Moneys from interest earned on the unemployment
15 9 compensation reserve fund shall be used by the department only
15 10 upon appropriation by the general assembly and only for
15 11 purposes contained in section 96.7, subsection 12, for
15 12 department of workforce development rural satellite offices,
15 13 and for administrative costs to collect the reserve
15 14 contributions.

15 15 Sec. 33. Section 256D.4, subsection 2, unnumbered
15 16 paragraph 1, Code 2003, is amended to read as follows:

15 17 ~~For each fiscal year in the fiscal period beginning July 1,~~
~~15 18 2001, and ending June 30, 2003, moneys~~ Moneys appropriated
15 19 pursuant to section 256D.5, subsection 3, shall be allocated
15 20 to school districts as follows:

15 21 Sec. 34. Section 256D.5, subsection 3, Code 2003, is
15 22 amended to read as follows:

15 23 3. For each fiscal year of the fiscal period beginning
15 24 July 1, 2001, and ending June 30, ~~2003~~ 2004, the sum of thirty
15 25 million dollars.

15 26 Sec. 35. Section 260G.4B, subsection 1, Code 2003, is
15 27 amended to read as follows:

15 28 1. The total amount of program job credits from all
15 29 employers which shall be allocated for all accelerated career
15 30 education programs in the state in any one fiscal year shall
15 31 not exceed the sum of three million dollars in the fiscal year
15 32 beginning July 1, 2000, three million dollars in the fiscal
15 33 year beginning July 1, 2001, three million dollars in the
15 34 fiscal year beginning July 1, 2002, four million dollars in
15 35 the fiscal year beginning July 1, 2003, and six million

16 1 dollars in the fiscal year beginning July 1, ~~2003~~ 2004, and
16 2 every fiscal year thereafter. Any increase in program job
16 3 credits above the six-million-dollar limitation per fiscal
16 4 year shall be developed, based on recommendations in a study
16 5 which shall be conducted by the department of economic
16 6 development of the needs and performance of approved programs
16 7 in the fiscal years beginning July 1, 2000, and July 1, 2001.
16 8 The study's findings and recommendations shall be submitted to
16 9 the general assembly by the department by December 31, 2002.
16 10 The study shall include but not be limited to an examination
16 11 of the quality of the programs, the number of program
16 12 participant placements, the wages and benefits in program
16 13 jobs, the level of employer contributions, the size of
16 14 participating employers, and employer locations. A community
16 15 college shall file a copy of each agreement with the

16 16 department of economic development. The department shall
16 17 maintain an annual record of the proposed program job credits
16 18 under each agreement for each fiscal year. Upon receiving a
16 19 copy of an agreement, the department shall allocate any
16 20 available amount of program job credits to the community
16 21 college according to the agreement sufficient for the fiscal
16 22 year and for the term of the agreement. When the total
16 23 available program job credits are allocated for a fiscal year,
16 24 the department shall notify all community colleges that the
16 25 maximum amount has been allocated and that further program job
16 26 credits will not be available for the remainder of the fiscal
16 27 year. Once program job credits have been allocated to a
16 28 community college, the full allocation shall be received by
16 29 the community college throughout the fiscal year and for the
16 30 term of the agreement even if the statewide program job credit
16 31 maximum amount is subsequently allocated and used.

16 32 Sec. 36. Section 294A.25, subsection 10, Code 2003, is
16 33 amended to read as follows:

16 34 10. For the ~~each~~ fiscal year ~~beginning July 1, 2001, and~~
~~16 35 ending June 30, 2002~~, to the department of education from
17 1 ~~phase III moneys~~ the amount of forty-seven thousand dollars
17 2 for the Iowa mathematics and science coalition.

17 3 Sec. 37. Section 427B.19A, subsection 1, as amended by
17 4 2003 Iowa Acts, Senate File 453, if enacted, is amended to
17 5 read as follows:

17 6 1. The industrial machinery, equipment and computers
17 7 property tax replacement fund is created. For the fiscal year
17 8 beginning July 1, 1996, through the fiscal year ending June
17 9 30, 2004, there is appropriated annually from the general fund
17 10 of the state to the department of revenue and finance to be
17 11 credited to the industrial machinery, equipment and computers
17 12 property tax replacement fund, an amount sufficient to
17 13 implement this division. However, for the fiscal year
17 14 beginning July 1, 2003, the amount appropriated to the
17 15 department of revenue and finance to be credited to the
17 16 industrial machinery, equipment and computers tax replacement
17 17 fund is ~~ten eleven~~ million two hundred eighty-one thousand six
17 18 hundred eighty-five dollars.

17 19 Sec. 38. 2001 Iowa Acts, chapter 174, section 1,
17 20 subsection 2, as amended by 2002 Iowa Acts, chapter 1174,
17 21 section 8, is amended to read as follows:

17 22 2. There is appropriated from the general fund of the
17 23 state to the endowment for Iowa's health account of the
17 24 tobacco settlement trust fund created in section 12E.12, for
17 25 the designated fiscal years, the following amounts, to be used
17 26 for the purposes specified in section 12E.12 for the endowment
17 27 for Iowa's health account:

17 28 FY 2001=2002	\$ 7,248,000	
17 29 FY 2003=2004	\$ 28,251,000	
17 30		0
17 31 FY 2004=2005	\$ 29,785,000	
17 32 FY 2005=2006	\$ 29,562,000	
17 33 FY 2006=2007	\$ 17,773,000	

17 34 Sec. 39. 2002 Iowa Acts, chapter 1173, section 18, is
17 35 amended to read as follows:

18 1 SEC. 18. POOLED TECHNOLOGY FUNDING == PRIOR ALLOCATIONS ==
18 2 NONREVERSION. Notwithstanding section 8.33, moneys
18 3 appropriated and allocated in 2001 Iowa Acts, chapter 189,
18 4 section 5, subsection 1, which remain unobligated or
18 5 unexpended at the close of the fiscal year for which they were
18 6 appropriated shall not revert, but shall remain available for
18 7 expenditure for the purposes for which they were appropriated
18 8 and allocated, for the fiscal year period beginning July 1,
18 9 2002, and ending June 30, ~~2003~~ 2004.

18 10 Sec. 40. 2002 Iowa Acts, Second Extraordinary Session,
18 11 chapter 1001, section 33, is amended to read as follows:

18 12 SEC. 33. EFFECTIVE DATE == APPLICABILITY. The amendments
18 13 to the following designated Code provisions in this division
18 14 of this Act take effect July 1, ~~2003~~ 2004:

- 18 15 1. Section 8.55, subsection 2, paragraph "a".
- 18 16 2. Section 8.56, subsection 4, paragraph "b".
- 18 17 3. Section 8.57, subsection 1, paragraph "a".

18 18 Sec. 41. FRANCHISE TAX REVENUE ALLOCATION. There is
18 19 appropriated from the franchise tax revenues deposited in the
18 20 general fund of the state to the department of revenue and
18 21 finance for the fiscal year beginning July 1, 2003, and ending
18 22 June 30, 2004, \$8,800,000 to be allocated as follows:

- 18 23 1. Sixty percent to the general fund of the city from
18 24 which the tax is collected.
- 18 25 2. Forty percent to the county from which the tax is
18 26 collected.

18 27 If the financial institution maintains one or more offices
18 28 for the transaction of business, other than its principal
18 29 office, a portion of its franchise tax shall be allocated to
18 30 each office, based upon a reasonable measure of the business
18 31 activity of each office. The director of revenue and finance
18 32 shall prescribe, for each type of financial institution, a
18 33 method of measuring the business activity of each office.
18 34 Financial institutions shall furnish all necessary information
18 35 for this purpose at the request of the director. The
19 1 allocation shall be distributed quarterly.

19 2 Sec. 42. 2003 Iowa Acts, Senate File 453, section 28, if
19 3 enacted, is repealed.

19 4 RACING AND GAMING COMMISSION

19 5 Sec. 43. 2002 Iowa Acts, Second Extraordinary Session,
19 6 chapter 1003, section 9, subsection 1, is amended to read as
19 7 follows:

19 8 1. RACETRACK REGULATION

19 9 There is appropriated from the general fund of the state to
19 10 the racing and gaming commission of the department of
19 11 inspections and appeals for the fiscal year beginning July 1,
19 12 2002, and ending June 30, 2003, the following amount, or so
19 13 much thereof as is necessary, to be used for the purposes
19 14 designated:

19 15 For salaries, support, maintenance, and miscellaneous
19 16 purposes for the regulation of pari-mutuel racetracks, and for
19 17 not more than the following full-time equivalent positions:
19 18 \$ 2,083,762
19 19 2,163,762
19 20 FTEs 24.78

19 21 Of the funds appropriated in this subsection, \$85,576 shall
19 22 be used to conduct an extended harness racing season.

19 23 Sec. 44. 2003 Iowa Acts, House File 655, section 24, if
19 24 enacted, is amended to read as follows:

19 25 SEC. 24. READY TO WORK PROGRAM COORDINATOR. There is
19 26 appropriated from the surplus funds in the long-term

~~19 27 disability reserve fund and the workers' compensation trust~~
19 28 fund to the department of personnel for the fiscal year
19 29 beginning July 1, 2003, and ending June 30, 2004, the
19 30 following amount, or so much thereof as is necessary, to be
19 31 used for the purposes designated:

19 32 For the salary, support, and miscellaneous expenses for the
19 33 ready to work program and coordinator:
19 34 \$ 89,416

~~19 35 The moneys appropriated pursuant to this section shall be
20 1 taken in equal proportions from the long-term disability
20 2 reserve fund and the workers' compensation trust fund.~~

20 3 Sec. 45. 2003 Iowa Acts, House File 655, section 34, if
20 4 enacted, is amended to read as follows:

20 5 SEC. 34. READY TO WORK PROGRAM COORDINATOR. There is
20 6 appropriated from the surplus funds in the long-term

~~20 7 disability reserve fund and the workers' compensation trust~~
20 8 fund to the department of administrative services for the
20 9 fiscal year beginning July 1, 2003, and ending June 30, 2004,
20 10 the following amount, or so much thereof as is necessary, to
20 11 be used for the purposes designated:

20 12 For the salary, support, and miscellaneous expenses for the
20 13 ready to work program and coordinator:
20 14 \$ 89,416

~~20 15 The moneys appropriated pursuant to this section shall be
20 16 taken in equal proportions from the long-term disability
20 17 reserve fund and the workers' compensation trust fund.~~

20 18 Sec. 46. CONTINGENT CASH RESERVE APPROPRIATION.

20 19 1. There is appropriated from the cash reserve fund to the
20 20 general fund of the state for the fiscal year beginning July
20 21 1, 2002, and ending June 30, 2003, for the purposes of
20 22 reducing or preventing any overdraft on or deficit in the
20 23 general fund of the state, an amount not to exceed
20 24 \$50,000,000.

20 25 2. The appropriation made in subsection 1 is contingent
20 26 upon all of the following having occurred:

20 27 a. The revenue estimating conference estimate of general
20 28 fund receipts made during the last quarter of the fiscal year
20 29 was or the actual fiscal year receipts and accruals were at
20 30 least one-half of one percent less than the comparable
20 31 estimate made during the third quarter of the fiscal year.

20 32 b. The governor has implemented the uniform reductions in
20 33 appropriations required in section 8.31 as a result of
20 34 paragraph "a" and such reduction was insufficient to prevent
20 35 an overdraft on or deficit in the general fund of the state or
21 1 the governor did not implement uniform reductions in
21 2 appropriations because of the lateness of the estimated or

21 3 actual receipts and accruals under paragraph "a".
21 4 c. The balance of the general fund of the state at the end
21 5 of the fiscal year prior to the appropriation made in
21 6 subsection 1 was negative.
21 7 d. The governor has issued an official proclamation and
21 8 has notified the cochairpersons of the fiscal committee of the
21 9 legislative council and the legislative services agency that
21 10 the contingencies in paragraphs "a" through "c" have occurred
21 11 and the reasons why the uniform reductions specified in
21 12 paragraph "b" were insufficient or were not implemented to
21 13 prevent an overdraft on or deficit in the general fund of the
21 14 state.
21 15 3. If an appropriation is made pursuant to subsection 1
21 16 for a fiscal year, there is appropriated from the general fund
21 17 of the state to the cash reserve fund for the following fiscal
21 18 year, the amount of the appropriation made pursuant to
21 19 subsection 1.
21 20 Sec. 47. EFFECTIVE DATE. The following provisions of this
21 21 division of this Act, being deemed of immediate importance,
21 22 take effect upon enactment:
21 23 1. The section appropriating moneys from the keep Iowa
21 24 beautiful fund.
21 25 2. The section amending 2002 Iowa Acts, chapter 1173,
21 26 section 18, relating to the nonreversion of pooled technology
21 27 funding.
21 28 3. The section appropriating moneys from the cash reserve
21 29 fund for the military pay differential program. This section
21 30 applies retroactively to March 19, 2003.
21 31 4. The section appropriating moneys from the assisted
21 32 living program fund.
21 33 5. The section making the contingent appropriation from
21 34 the cash reserve fund.
21 35 6. The section amending 2002 Iowa Acts, Second
22 1 Extraordinary Session, chapter 1003, section 9, relating to
22 2 racetrack regulation.
22 3 7. The amendment to section 96.9.
22 4 DIVISION V
22 5 COMPENSATION AND BENEFITS
22 6 Sec. 48. COLLECTIVE BARGAINING AGREEMENTS FUNDED ==
22 7 GENERAL FUND. There is appropriated from the general fund of
22 8 the state to the salary adjustment fund for distribution by
22 9 the department of management to the various state departments,
22 10 boards, commissions, councils, and agencies, and to the state
22 11 board of regents for those persons employed at the state
22 12 school for the deaf and the Iowa braille and sight saving
22 13 school, for the fiscal year beginning July 1, 2003, and ending
22 14 June 30, 2004, the amount of \$28,000,000, or so much thereof
22 15 as may be necessary, to fully fund annual pay adjustments,
22 16 expense reimbursements, and related benefits implemented
22 17 pursuant to the following:
22 18 1. The collective bargaining agreement negotiated pursuant
22 19 to chapter 20 for employees in the blue collar bargaining
22 20 unit.
22 21 2. The collective bargaining agreement negotiated pursuant
22 22 to chapter 20 for employees in the public safety bargaining
22 23 unit.
22 24 3. The collective bargaining agreement negotiated pursuant
22 25 to chapter 20 for employees in the security bargaining unit.
22 26 4. The collective bargaining agreement negotiated pursuant
22 27 to chapter 20 for employees in the technical bargaining unit.
22 28 5. The collective bargaining agreement negotiated pursuant
22 29 to chapter 20 for employees in the professional fiscal and
22 30 staff bargaining unit.
22 31 6. The collective bargaining agreement negotiated pursuant
22 32 to chapter 20 for employees in the clerical bargaining unit.
22 33 7. The collective bargaining agreement negotiated pursuant
22 34 to chapter 20 for employees in the professional social
22 35 services bargaining unit.
23 1 8. The collective bargaining agreement negotiated pursuant
23 2 to chapter 20 for employees in the community-based corrections
23 3 bargaining unit.
23 4 9. The collective bargaining agreements negotiated
23 5 pursuant to chapter 20 for employees in the judicial branch of
23 6 government bargaining units.
23 7 10. The collective bargaining agreement negotiated
23 8 pursuant to chapter 20 for employees in the patient care
23 9 bargaining unit.
23 10 11. The collective bargaining agreement negotiated
23 11 pursuant to chapter 20 for employees in the science bargaining
23 12 unit.
23 13 12. The annual pay adjustments, related benefits, and

23 14 expense reimbursements referred to in the sections of this
23 15 division of this Act for employees not covered by a collective
23 16 bargaining agreement.

23 17 Of the amount appropriated in this section, \$2,668,000
23 18 shall be allocated to the judicial branch for the purpose of
23 19 funding annual pay adjustments, expense reimbursements, and
23 20 related benefits implemented for judicial branch employees.
23 21 In distributing the remainder of the amount appropriated in
23 22 this section, the department of management, in order to
23 23 address essential public protection functions and recognizing
23 24 the availability of funds appropriated in other Acts of the
23 25 general assembly and other sources, shall give priority, in
23 26 descending order, to the department of corrections, department
23 27 of human services, and department of public safety, and then
23 28 to the remaining state departments, boards, commissions,
23 29 councils, and agencies to which the appropriation is
23 30 applicable.

23 31 Sec. 49. NONCONTRACT STATE EMPLOYEES == GENERAL.

23 32 1. a. For the fiscal year beginning July 1, 2003, the
23 33 maximum salary levels of all pay plans provided for in section
23 34 19A.9, subsection 2, as they exist for the fiscal year ending
23 35 June 30, 2003, shall be increased by 2 percent for the pay
24 1 period beginning June 20, 2003, and any additional changes in
24 2 the pay plans shall be approved by the governor.

24 3 b. For the fiscal year beginning July 1, 2003, employees
24 4 may receive a step increase or the equivalent of a step
24 5 increase.

24 6 2. The pay plans for state employees who are exempt from
24 7 chapter 19A and who are included in the department of revenue
24 8 and finance's centralized payroll system shall be increased in
24 9 the same manner as provided in subsection 1, and any
24 10 additional changes in any executive branch pay plans shall be
24 11 approved by the governor. However, commencing July 1, 2003,
24 12 the consumer advocate shall receive an annual salary in the
24 13 same salary range as the chairperson and members of the
24 14 utilities board.

24 15 3. This section does not apply to members of the general
24 16 assembly, board members, commission members, salaries of
24 17 persons set by the general assembly in statute, salaries of
24 18 appointed state officers set by the governor, other persons
24 19 designated, employees designated under section 19A.3,
24 20 subsection 5, and employees covered by 581 IAC 4.6(3).

24 21 4. The pay plans for the bargaining eligible employees of
24 22 the state shall be increased in the same manner as provided in
24 23 subsection 1, and any additional changes in such executive
24 24 branch pay plans shall be approved by the governor. As used
24 25 in this section, "bargaining eligible employee" means an
24 26 employee who is eligible to organize under chapter 20, but has
24 27 not done so.

24 28 5. The policies for implementation of this section shall
24 29 be approved by the governor.

24 30 Sec. 50. STATE EMPLOYEES == STATE BOARD OF REGENTS.

24 31 1. Funds from the appropriation made in this division of
24 32 this Act from the general fund of the state to the salary
24 33 adjustment fund shall be allocated by the department of
24 34 management to the state board of regents for the purposes of
24 35 providing increases for state board of regents employees at
25 1 the state school for the deaf and the Iowa braille and sight
25 2 saving school who are addressed by that appropriation and
25 3 employees of the schools who are not covered by a collective
25 4 bargaining agreement.

25 5 2. The state board of regents office and the state
25 6 university of Iowa, Iowa state university of science and
25 7 technology, and the university of northern Iowa shall provide
25 8 from available sources pay adjustments, expense
25 9 reimbursements, and related benefits to fully fund the
25 10 following:

25 11 a. The collective bargaining agreement negotiated pursuant
25 12 to chapter 20 for employees in the university of northern Iowa
25 13 faculty bargaining unit.

25 14 b. The collective bargaining agreement negotiated pursuant
25 15 to chapter 20 for employees in the patient care bargaining
25 16 unit.

25 17 c. The collective bargaining agreement negotiated pursuant
25 18 to chapter 20 for employees in the science bargaining unit.

25 19 d. The collective bargaining agreement negotiated pursuant
25 20 to chapter 20 for employees in the state university of Iowa
25 21 graduate student bargaining unit.

25 22 e. The collective bargaining agreement negotiated pursuant
25 23 to chapter 20 for employees in the state university of Iowa
25 24 hospital and clinics tertiary health care bargaining unit.

25 25 f. The collective bargaining agreement negotiated pursuant
25 26 to chapter 20 for employees in the blue collar bargaining
25 27 unit.
25 28 g. The collective bargaining agreement negotiated pursuant
25 29 to chapter 20 for employees in the public safety bargaining
25 30 unit.
25 31 h. The collective bargaining agreement negotiated pursuant
25 32 to chapter 20 for employees in the security bargaining unit.
25 33 i. The collective bargaining agreement negotiated pursuant
25 34 to chapter 20 for employees in the technical bargaining unit.
25 35 j. The collective bargaining agreement negotiated pursuant
26 1 to chapter 20 for employees in the professional fiscal and
26 2 staff bargaining unit.
26 3 k. The collective bargaining agreement negotiated pursuant
26 4 to chapter 20 for employees in the clerical bargaining unit.
26 5 l. The annual pay adjustments, related benefits, and
26 6 expense reimbursements referred to in the sections of this
26 7 division of this Act for employees not covered by a collective
26 8 bargaining agreement.
26 9 Sec. 51. APPROPRIATIONS FROM ROAD FUNDS.
26 10 1. There is appropriated from the road use tax fund to the
26 11 salary adjustment fund for the fiscal year beginning July 1,
26 12 2003, and ending June 30, 2004, the following amount, or so
26 13 much thereof as may be necessary, to be used for the purpose
26 14 designated:
26 15 To supplement other funds appropriated by the general
26 16 assembly:
26 17 \$ 3,000,000
26 18 2. There is appropriated from the primary road fund to the
26 19 salary adjustment fund, for the fiscal year beginning July 1,
26 20 2003, and ending June 30, 2004, the following amount, or so
26 21 much thereof as may be necessary, to be used for the purpose
26 22 designated:
26 23 To supplement other funds appropriated by the general
26 24 assembly:
26 25 \$ 12,000,000
26 26 3. Except as otherwise provided in this division of this
26 27 Act, the amounts appropriated in subsections 1 and 2 shall be
26 28 used to fund the annual pay adjustments, expense
26 29 reimbursements, and related benefits for public employees as
26 30 provided in this division of this Act.
26 31 Sec. 52. SPECIAL FUNDS == AUTHORIZATION. To departmental
26 32 revolving, trust, or special funds, except for the primary
26 33 road fund or the road use tax fund, for which the general
26 34 assembly has established an operating budget, a supplemental
26 35 expenditure authorization is provided, unless otherwise
27 1 provided, in an amount necessary to fund salary adjustments as
27 2 otherwise provided in this division of this Act.
27 3 Sec. 53. GENERAL FUND SALARY MONEYS. Funds appropriated
27 4 from the general fund of the state in this division of this
27 5 Act relate only to salaries supported from general fund
27 6 appropriations of the state except for employees of the state
27 7 board of regents at the state school for the deaf and the Iowa
27 8 braille and sight saving school. The funds appropriated from
27 9 the general fund of the state for employees at the state
27 10 school for the deaf and the Iowa braille and sight saving
27 11 school of the state board of regents shall exclude general
27 12 university indirect costs and general university federal
27 13 funds.
27 14 Sec. 54. FEDERAL FUNDS APPROPRIATED. All federal grants
27 15 to and the federal receipts of the agencies affected by this
27 16 division of this Act which are received and may be expended
27 17 for purposes of this division of this Act are appropriated for
27 18 those purposes and as set forth in the federal grants or
27 19 receipts.
27 20 Sec. 55. STATE TROOPER MEAL ALLOWANCE. The sworn peace
27 21 officers in the department of public safety who are not
27 22 covered by a collective bargaining agreement negotiated
27 23 pursuant to chapter 20 shall receive the same per diem meal
27 24 allowance as the sworn peace officers in the department of
27 25 public safety who are covered by a collective bargaining
27 26 agreement negotiated pursuant to chapter 20.
27 27 Sec. 56. SALARY MODEL COORDINATOR. Of the funds
27 28 appropriated in this division of this Act from the general
27 29 fund of the state, \$126,767 for the fiscal year beginning July
27 30 1, 2003, is allocated to the department of management for
27 31 salary and support of the salary model coordinator who shall
27 32 work in conjunction with the legislative fiscal bureau to
27 33 maintain the state's salary model used for analyzing,
27 34 comparing, and projecting state employee salary and benefit
27 35 information, including information relating to employees of

28 1 the state board of regents. The department of revenue and
28 2 finance, the department of personnel, the five institutions
28 3 under the jurisdiction of the state board of regents, the
28 4 eight judicial district departments of correctional services,
28 5 and the state department of transportation shall provide
28 6 salary data to the department of management and the
28 7 legislative fiscal bureau to operate the state's salary model.
28 8 The format and frequency of provision of the salary data shall
28 9 be determined by the department of management and the
28 10 legislative fiscal bureau. The information shall be used in
28 11 collective bargaining processes under chapter 20 and in
28 12 calculating the funding needs contained within the annual
28 13 salary adjustment legislation. A state employee organization
28 14 as defined in section 20.3, subsection 4, may request
28 15 information produced by the model, but the information
28 16 provided shall not contain information attributable to
28 17 individual employees.

28 18 DIVISION VI

28 19 CORRECTIVE PROVISIONS

28 20 Sec. 57. Section 8A.202, subsection 2, paragraph e, if
28 21 enacted by 2003 Iowa Acts, House File 534, is amended by
28 22 striking the paragraph and inserting in lieu thereof the
28 23 following:

28 24 e. Developing and maintaining an electronic repository for
28 25 public access to reference copies of agency mandated reports,
28 26 newsletters, and publications in conformity with section
28 27 304B.10, subsection 1, paragraph "h". The department shall
28 28 develop technical standards for an electronic repository in
28 29 consultation with the state librarian and the state archivist.

28 30 Sec. 58. 2003 Iowa Acts, House File 289, section 1, is
28 31 amended by striking the section and inserting in lieu thereof
28 32 the following:

28 33 SECTION 1. Section 12C.1, subsection 2, paragraph e, Code
28 34 2003, as amended by 2003 Iowa Acts, Senate File 395, is
28 35 amended by adding the following new subparagraph:

29 1 NEW SUBPARAGRAPH. (6) Moneys placed in a depository for
29 2 the purpose of completing an electronic financial transaction
29 3 pursuant to section 8A.222 or 331.427.

29 4 Sec. 59. Section 99E.9, subsection 2, Code 2003, as
29 5 amended by 2003 Iowa Acts, House File 171, section 31, is
29 6 amended to read as follows:

29 7 2. Subject to the approval of the board, the commissioner
29 8 may enter into contracts for the operation and marketing of
29 9 the lottery, except that the board may by rule designate
29 10 classes of contracts other than major procurements which do
29 11 not require prior approval by the board. A major procurement
29 12 shall be as the result of competitive bidding with the
29 13 contract being awarded to the responsible vendor submitting
29 14 the lowest and best proposal. However, before a contract for
29 15 a major procurement is awarded, the division of criminal
29 16 investigation of the department of public safety shall conduct
29 17 a thorough background investigation of the vendor to whom the
29 18 contract is to be awarded. The commissioner and board shall
29 19 consult with the division of criminal investigation and shall
29 20 provide, by rule, for the scope of the thorough background
29 21 investigations and due diligence with regard to the background
29 22 investigations to be conducted in connection with major
29 23 procurements. The vendor shall submit to the division of
29 24 criminal investigation appropriate investigation
29 25 authorizations to facilitate this investigation. The
29 26 background investigation by the division of criminal
29 27 investigation may include a national criminal history ~~record~~
29 28 check through the federal bureau of investigation. The
29 29 screening of vendors or their employees through the federal
29 30 bureau of investigation shall be conducted by submission of
29 31 fingerprints through the state criminal history repository to
29 32 the federal bureau of investigation. As used in this
29 33 subsection, "major procurement" means consulting agreements
29 34 and the major procurement contract with a business
29 35 organization for the printing of tickets, or for purchase or
30 1 lease of equipment or services essential to the operation of a
30 2 lottery game.

30 3 Sec. 60. Section 99G.10, subsection 2, if enacted by 2003
30 4 Iowa Acts, Senate File 453, section 72, is amended to read as
30 5 follows:

30 6 2. Subject to the approval of the board, the chief
30 7 executive officer shall have the sole power to designate
30 8 particular employees as key personnel, but may take advice
30 9 from the department of personnel in making any such
30 10 designations. All key personnel shall be exempt from the
30 11 merit system described in chapter ~~19A~~ 8A, article 4. The

30 12 chief executive officer and the board shall have the sole
30 13 power to employ, classify, and fix the compensation of key
30 14 personnel. All other employees shall be employed, classified,
30 15 and compensated in accordance with ~~chapters 19A~~ chapter 8A,
30 16 article 4, and chapter 20.

30 17 Sec. 61. Section 99G.22, subsection 1, if enacted by 2003
30 18 Iowa Acts, Senate File 453, is amended to read as follows:

30 19 1. The authority shall investigate the financial
30 20 responsibility, security, and integrity of any lottery system
30 21 vendor who is a finalist in submitting a bid, proposal, or
30 22 offer as part of a major procurement contract. Before a major
30 23 procurement contract is awarded, the division of criminal
30 24 investigation of the department of public safety shall conduct
30 25 a background investigation of the vendor to whom the contract
30 26 is to be awarded. The chief executive officer and board shall
30 27 consult with the division of criminal investigation and shall
30 28 provide for the scope of the background investigation and due
30 29 diligence to be conducted in connection with major procurement
30 30 contracts. At the time of submitting a bid, proposal, or
30 31 offer to the authority on a major procurement contract, the
30 32 authority shall require that each vendor submit to the
30 33 division of criminal investigation appropriate investigation
30 34 authorization to facilitate this investigation, together with
30 35 an advance of funds to meet the anticipated investigation
31 1 costs. If the division of criminal investigation determines
31 2 that additional funds are required to complete an
31 3 investigation, the vendor will be so advised. The background
31 4 investigation by the division of criminal investigation may
31 5 include a national criminal history ~~record~~ check through the
31 6 federal bureau of investigation. The screening of vendors or
31 7 their employees through the federal bureau of investigation
31 8 shall be conducted by submission of fingerprints through the
31 9 state criminal history ~~record~~ repository to the federal bureau
31 10 of investigation.

31 11 Sec. 62. Section 99G.37, subsection 2, if enacted by 2003
31 12 Iowa Acts, Senate File 453, section 90, is amended to read as
31 13 follows:

31 14 2. In any bidding process, the authority may administer
31 15 its own bidding and procurement or may utilize the services of
31 16 the department of ~~general administrative services, or its~~
31 17 ~~successor,~~ or other state agency.

31 18 Sec. 63. Section 99G.38, subsection 3, if enacted by 2003
31 19 Iowa Acts, Senate File 453, section 91, is amended to read as
31 20 follows:

31 21 3. The state of Iowa offset program, as provided in
31 22 section ~~421.17~~ 8A.504, shall be available to the authority to
31 23 facilitate receipt of funds owed to the authority.

31 24 Sec. 64. Section 135.150, subsection 3, as enacted by 2003
31 25 Iowa Acts, House File 396, section 1, is amended to read as
31 26 follows:

31 27 3. "Director" means the director ~~or the director's~~
31 28 ~~designee~~ of public health ~~or the director's designee.~~

31 29 Sec. 65. Section 135.154, subsection 7, as enacted by 2003
31 30 Iowa Acts, House File 396, section 5, is amended to read as
31 31 follows:

31 32 7. Treat or order that individuals exposed to or infected
31 33 with disease receive treatment or prophylaxis. Treatment or
31 34 prophylaxis shall be administered by any qualified person
31 35 authorized to do so by the department. Treatment or
32 1 prophylaxis shall not be provided or ordered if the treatment
32 2 or prophylaxis is reasonably likely to lead to serious harm to
32 3 the affected individual. To prevent the spread of
32 4 communicable or potentially communicable disease, the
32 5 department may isolate or quarantine, pursuant to chapter 139A
32 6 and the rules implementing chapter 139A and this division of
32 7 this chapter, any individual who is unable or unwilling to
32 8 undergo treatment or prophylaxis pursuant to this section.

32 9 Sec. 66. Section 170.6, subsection 1, paragraph b, if
32 10 enacted by 2003 Iowa Acts, House File 624, is amended to read
32 11 as follows:

32 12 b. Failed to provide notice or access to the department of
32 13 natural resources and the department of agriculture and land
32 14 stewardship as required by section 170.5.

32 15 Sec. 67. Section 231.56A, if enacted by 2003 Iowa Acts,
32 16 Senate File 416, section 1, is amended to read as follows:

32 17 231.56A ELDER ABUSE INITIATIVE, EMERGENCY SHELTER, AND
32 18 SUPPORT SERVICES PROJECTS.

32 19 1. Through the state's service contract process adopted
32 20 pursuant to section 8.47, the department shall identify area
32 21 agencies on aging that have demonstrated the ability to
32 22 provide a collaborative response to the immediate needs of

32 23 elders in the area agency on aging service area for the
32 24 purpose of implementing elder abuse initiative, emergency
32 25 shelter, and support services projects. The projects shall be
32 26 implemented only in the counties within an area agency on
32 27 aging service area that have a multidisciplinary team
32 28 established pursuant to section 235B.1.

32 29 2. The target population of the projects shall be any
32 30 elder residing in the service area of an area agency on aging
32 31 who meets both of the following conditions:

32 32 a. Is the subject of a report of suspected dependent adult
32 33 abuse pursuant to chapter 235B.

32 34 b. Is not receiving assistance under a county management
32 35 plan approved pursuant to section 331.439.

33 1 3. The area agencies on aging implementing the projects
33 2 shall identify allowable emergency shelter and support
33 3 services, state funding, outcomes, reporting requirements, and
33 4 approved community resources from which services may be
33 5 obtained under the projects. The area agency on aging shall
33 6 identify at least one provider of case management services for
33 7 the project area.

33 8 4. The area agencies on aging shall implement the projects
33 9 and shall coordinate the provider network through the use of
33 10 referrals or other engagement of community resources to
33 11 provide services to elders.

33 12 5. The department shall award funds to the area agencies
33 13 on aging in accordance with the state's service contract
33 14 process. Receipt and expenditures of moneys under the
33 15 projects are subject to examination, including audit, by the
33 16 department.

33 17 6. This section shall not be construed and is not intended
33 18 as, and shall not imply, a grant of entitlement for services
33 19 to individuals who are not otherwise eligible for the services
33 20 or for utilization of services that do not currently exist or
33 21 are not otherwise available.

33 22 Sec. 68. Section 232.71B, subsection 7A, if enacted by
33 23 2003 Iowa Acts, House File 558, section 1, is amended to read
33 24 as follows:

33 25 7A. PROTECTIVE DISCLOSURE. If the department determines
33 26 that disclosure is necessary for the protection of a child,
33 27 the department may disclose to a subject of a child abuse
33 28 report referred to in section 235A.15, subsection 2, paragraph
33 29 "a", that an individual is listed in the child or dependent
33 30 adult abuse registry or is required to register with the sex
33 31 offender registry in accordance with chapter 692A.

33 32 Sec. 69. Section 235B.3, subsection 6A, if enacted by 2003
33 33 Iowa Acts, House File 558, section 2, is amended to read as
33 34 follows:

33 35 6A. If the department determines that disclosure is
34 1 necessary for the protection of a dependent adult, the
34 2 department may disclose to a subject of a dependent adult
34 3 abuse report referred to in section 235B.6, subsection 2,
34 4 paragraph "a", that an individual is listed in the child or
34 5 dependent adult abuse registry or is required to register with
34 6 the sex offender registry in accordance with chapter 692A.

34 7 Sec. 70. Section 304B.3, subsections 4, 8, and 9, if
34 8 enacted by 2003 Iowa Acts, House File 648, section 6, are
34 9 amended to read as follows:

34 10 4. The director of revenue ~~and finance~~.

34 11 8. The director of the department of ~~general~~
34 12 ~~administrative~~ services.

34 13 9. ~~The director of the information technology department.~~

34 14 Sec. 71. Section 321.69, subsection 9, as amended by 2003
34 15 Iowa Acts, House File 502, section 3, is amended to read as
34 16 follows:

34 17 9. ~~This~~ Except for subsection 9A, this section does not
34 18 apply to motor trucks and truck tractors with a gross vehicle
34 19 weight rating of sixteen thousand pounds or more, vehicles
34 20 more than nine model years old, motorcycles, motorized
34 21 bicycles, and special mobile equipment. This section does
34 22 apply to motor homes. The requirement in subsection 1 that
34 23 the new certificate of title and registration receipt shall
34 24 state on the face of the title the total cumulative dollar
34 25 amount of damage does not apply to a vehicle with a
34 26 certificate of title bearing a designation that the vehicle
34 27 was previously titled on a salvage certificate of title
34 28 pursuant to section 321.52, subsection 4, paragraph "b", or to
34 29 a vehicle with a certificate of title bearing a "REBUILT" or
34 30 "SALVAGE" designation pursuant to section 321.24, subsection 4
34 31 or 5. ~~This~~ Except for subsection 9A, this section does not
34 32 apply to new motor vehicles with a true mileage, as defined in
34 33 section 321.71, of one thousand miles or less, unless such

34 34 vehicle has incurred damage as defined in subsection 2.

34 35 Sec. 72. Section 356.7, subsection 1, as amended by 2003
35 1 Iowa Acts, House File 650, section 1, if enacted, is amended
35 2 to read as follows:

35 3 1. The county sheriff, or a municipality operating a
35 4 temporary municipal holding facility or jail, may charge a
35 5 prisoner who is eighteen years of age or older and who has
35 6 been convicted of a criminal offense or sentenced for contempt
35 7 of court for violation of a domestic abuse order for the
35 8 actual administrative costs relating to the arrest and booking
35 9 of that prisoner, and for room and board provided to the
35 10 prisoner while in the custody of the county sheriff or
35 11 municipality. Moneys collected by the sheriff or municipality
35 12 under this section shall be credited ~~respectfully~~ respectively
35 13 to the county general fund or the city general fund and
35 14 distributed as provided in this section. If a prisoner who
35 15 has been convicted of a criminal offense or sentenced for
35 16 contempt of court for violation of a domestic abuse order
35 17 fails to pay for the administrative costs and the room and
35 18 board, the sheriff or municipality may file a room and board
35 19 reimbursement claim with the district court as provided in
35 20 subsection 2. The county attorney may file the reimbursement
35 21 claim on behalf of the sheriff and the county or the
35 22 municipality. The attorney for the municipality may also file
35 23 a reimbursement claim on behalf of the municipality. This
35 24 section does not apply to prisoners who are paying for their
35 25 room and board by court order pursuant to sections 356.26
35 26 through 356.35.

35 27 Sec. 73. Section 459.401, subsection 2, paragraph a,
35 28 subparagraph (3A), if enacted by 2003 Iowa Acts, House File
35 29 644, section 18, is amended to read as follows:

35 30 (3A) A commercial manure service license fee as provided
35 31 in section ~~359.316~~ 459.316.

35 32 Sec. 74. Section 505A.1, article V, section 2, paragraph
35 33 a, subparagraph (3), if enacted by 2003 Iowa Acts, House File
35 34 647, section 54, is amended to read as follows:

35 35 (3) Four members from those compacting states with less
36 1 than two percent of the market, based on the premium volume
36 2 described in subparagraph (1), with one selected from each of
36 3 the four zone regions of the national association of insurance
36 4 commissioners as provided in the bylaws.

36 5 Sec. 75. Section 508.31A, subsection 2, paragraph b, Code
36 6 2003, as amended by 2003 Iowa Acts, House File 647, section 7,
36 7 if enacted, is amended to read as follows:

36 8 b. A funding agreement issued pursuant to paragraph "a",
36 9 subparagraph (1), (2), or (3), shall be for a total amount of
36 10 not less than one million dollars.

36 11 Sec. 76. Section 692A.13, subsection 9, if enacted by 2003
36 12 Iowa Acts, House File 558, section 3, is amended to read as
36 13 follows:

36 14 9. If the department of human services determines that
36 15 disclosure is necessary for the protection of a child or a
36 16 dependent adult, the department may disclose to a subject of a
36 17 child abuse report referred to in section 235A.15, subsection
36 18 2, paragraph "a", or to a subject of a dependent adult abuse
36 19 report referred to in section 235B.6, subsection 2, paragraph
36 20 "a", that an individual is listed in the child or dependent
36 21 adult abuse registry or is required to register under this
36 22 chapter.

36 23 Sec. 77. Section 901.5, subsection 7A, paragraph d, as
36 24 enacted by 2003 Iowa Acts, House File 404, section 1, is
36 25 amended to read as follows:

36 26 d. Violation of a no-contact order issued under this
36 27 section is punishable by summary contempt proceedings. A
36 28 hearing in a contempt proceeding brought pursuant to this
36 29 subsection shall be held not less than five days and not more
36 30 than fifteen days after the issuance of a rule to show cause,
36 31 as set by the court, unless the defendant is already in
36 32 custody at the time of the alleged violation in which case the
36 33 hearing shall be held not less than five days and not more
36 34 than forty-five days after the issuance of the rule to show
36 35 cause.

37 1 Sec. 78. 2003 Iowa Acts, Senate File 155, section 26, is
37 2 repealed.

37 3 Sec. 79. 2003 Iowa Acts, Senate File 155, section 56, is
37 4 repealed.

37 5 Sec. 80. 2003 Iowa Acts, Senate File 453, section 44,
37 6 subsection 8, if enacted, is amended to read as follows:

37 7 8. STATUTORY REQUIREMENTS. The requirements of sections
37 8 ~~18-6 8A.311~~ and 72.3 and the administrative rules implementing
37 9 section 8.47 are not applicable to the services procurement

37 10 process used to implement the outcomes-based service system
37 11 redesign in accordance with this section. The department of
37 12 human services may enter into competitive negotiations and
37 13 proposal modifications with each successful contractor as
37 14 necessary to implement the provisions of this section.
37 15 Sec. 81. 2003 Iowa Acts, House File 601, section 2, is
37 16 amended by striking the section and inserting in lieu thereof
37 17 the following:

37 18 SEC. 2. Section 56.5, subsection 2, paragraph d, Code
37 19 2003, is amended by striking the paragraph.

37 20 Sec. 82. 2003 Iowa Acts, House File 624, section 22, if
37 21 enacted, is amended to read as follows:

37 22 SEC. 22. HUNTING PRESERVES AND GAME BREEDERS == AUTOMATIC
37 23 CERTIFICATION. ~~Any A fence enclosing~~ farm deer kept on land
37 24 which is owned by a person licensed pursuant to section 484B.5
37 25 or 481A.61 ~~and which is enclosed with a fence~~ on the effective
37 26 date of this Act shall be deemed to comply with construction
37 27 requirements of section 170.4 and shall be automatically
37 28 certified by the department of agriculture and land
37 29 stewardship without ~~submitting~~ submission of an application.
37 30 The landowner is not required to notify the department of
37 31 natural resources concerning removal of whitetail as otherwise
37 32 required pursuant to section 170.5.

37 33 Sec. 83. 2003 Iowa Acts, House File 648, section 1, if
37 34 enacted, is repealed.

37 35 Sec. 84. CONTINGENT EFFECTIVE DATES.

38 1 1. The section of this division of this Act amending
38 2 section 8A.202, subsection 2, if enacted by 2003 Iowa Acts,
38 3 House File 534, takes effect if House File 648, relating to
38 4 the management of state archives and records, is enacted by
38 5 the Eightieth General Assembly, 2003 Regular Session.

38 6 2. The sections of this division of this Act amending
38 7 sections 12C.1, 99G.10, 99G.37, and 99G.38 take effect only if
38 8 House File 534 is enacted by the Eightieth General Assembly,
38 9 2003 Regular Session.

38 10 3. The sections of this division of this Act amending
38 11 section 304B.3, if enacted by 2003 Iowa Acts, House File 648,
38 12 and repealing 2003 Iowa Acts, House File 648, section 1, if
38 13 enacted, take effect if House File 534, establishing a
38 14 department of administrative services, is enacted by the
38 15 Eightieth General Assembly, 2003 Regular Session.

38 16 4. The section of this division of this Act repealing 2003
38 17 Iowa Acts, Senate File 155, section 26, takes effect if 2003
38 18 Iowa Acts, House File 614, relating to elections, is enacted
38 19 by the Eightieth General Assembly, 2003 Regular Session.

38 20 DIVISION VII

38 21 MISCELLANEOUS PROVISIONS

38 22 Sec. 85. Section 7J.1, subsection 1, if enacted by 2003
38 23 Iowa Acts, Senate File 453, is amended to read as follows:

38 24 7J.1 CHARTER AGENCIES.

38 25 1. DESIGNATION OF CHARTER AGENCIES == PURPOSE. The
38 26 governor may, by executive order, designate ~~up to five~~ state
38 27 departments or agencies, as described in section 7E.5, other
38 28 than the department of administrative services, if the
38 29 department is established in law, or the department of
38 30 management, as a charter agency by July 1, 2003. The
38 31 designation of a charter agency shall be for a period of five
38 32 years which shall terminate as of June 30, 2008. The purpose
38 33 of designating a charter agency is to grant the agency
38 34 additional authority as provided by this chapter while
38 35 reducing the total appropriations to the agency.

39 1 Sec. 86. Section 7J.1, subsection 3, paragraph a, if
39 2 enacted by 2003 Iowa Acts, Senate File 453, is amended to read
39 3 as follows:

39 4 a. It is the intent of the general assembly that state
39 5 general fund operating appropriations to a charter agency for
39 6 any the fiscal year beginning July 1, 2003, and ending June
39 7 30, 2004, shall be reduced, ~~with a target reduction of ten~~
39 8 ~~percent for each charter agency,~~ from the appropriation that
39 9 would otherwise have been enacted for that charter agency
39 10 which, along with any additional generated revenue to the
39 11 general fund of the state attributed to the reinvention
39 12 process as determined by the department of management, over
39 13 that already committed to the general fund of the state by a
39 14 charter agency, will achieve an overall target of fifteen
39 15 million dollars.

39 16 Sec. 87. Section 7J.2, if enacted by 2003 Iowa Acts,
39 17 Senate File 453, is amended to read as follows:

39 18 7J.2 CHARTER AGENCY ~~LOAN~~ GRANT FUND.

39 19 1. A charter agency ~~loan~~ grant fund is created in the
39 20 state treasury under the control of the department of

39 21 management for the purpose of providing funding to support
39 22 innovation by those state agencies designated as charter
39 23 agencies in accordance with section 7J.1. Innovation purposes
39 24 shall include but are not limited to training, development of
39 25 outcome measurement systems, management system modifications,
39 26 and other modifications associated with transition of
39 27 operations to charter agency status. Moneys in the fund are
39 28 appropriated to the department of management for the purposes
39 29 described in this subsection.

39 30 2. A charter agency requesting a loan grant from the fund
39 31 shall complete an application process designated by the
39 32 director of the department of management. ~~Minimum loan~~
~~39 33 requirements for charter agency requests shall be determined~~
~~39 34 by the director.~~

39 35 3. ~~In order for the fund to be self-supporting, the~~
~~40 1 director of the department of management shall establish~~
~~40 2 repayment schedules for each loan awarded. An agency shall~~
~~40 3 repay the loan over a period not to exceed five years with~~
~~40 4 interest, at a rate to be determined by the director.~~

40 5 ~~4- 3.~~ Notwithstanding section 12C.7, subsection 2,
40 6 interest or earnings on moneys deposited in the charter agency
40 7 loan grant fund shall be credited to the charter agency ~~loan~~
40 8 grant fund. Notwithstanding section 8.33, moneys credited to
40 9 the charter agency ~~loan grant~~ fund shall not revert to the
40 10 fund from which appropriated at the close of a fiscal year.

40 11 Sec. 88. Section 8.23, subsection 1, paragraph a, Code
40 12 2003, is amended by striking the paragraph.

40 13 Sec. 89. Section 8.31, Code 2003, is amended to read as
40 14 follows:

40 15 8.31 ~~QUARTERLY REQUISITIONS == ALLOTMENTS OF~~
40 16 ~~APPROPRIATIONS == EXCEPTIONS == MODIFICATIONS.~~

40 17 ~~1. a. Before an appropriation for administration,~~
~~40 18 operation and maintenance of any department or establishment~~
~~40 19 shall become becomes available, there shall be submitted the~~
~~40 20 department or establishment shall submit to the director of~~
40 21 the department of management, not less than twenty days before
40 22 the beginning of each quarter of each fiscal year, a
40 23 requisition for an allotment of the amount estimated to be
40 24 necessary to carry on its work appropriation according to
40 25 dates identified in the requisition during the ensuing quarter
40 26 fiscal year by which portions of the appropriation will be
40 27 needed. The department or establishment shall submit the
40 28 requisition by June 1, prior to the start of a fiscal year or
40 29 by another date identified by the director. The requisition
40 30 shall contain details of proposed expenditures as may be
40 31 required by the director ~~of the department of management~~
40 32 subject to review by the governor.

40 33 ~~b.~~ The director of the department of management shall
40 34 approve the allotments subject to review by the governor,
40 35 unless it is found that the estimated budget resources during
41 1 the fiscal year are insufficient to pay all appropriations in
41 2 full, in which event such allotments may be modified to the
41 3 extent the governor may deem necessary in order that there
41 4 shall be no overdraft or deficit in the several funds of the
41 5 state at the end of the fiscal year, and the director shall
41 6 submit copies of the allotments thus approved or modified to
41 7 the head of the department or establishment concerned, who
41 8 shall set up such allotments on the books and be governed
41 9 accordingly in the control of expenditures.

41 10 ~~Allotments of appropriations made for equipment, land,~~
~~41 11 permanent improvements, and other capital projects may,~~
~~41 12 however, be allotted in one amount by major classes or~~
~~41 13 projects for which they are expendable without regard to~~
~~41 14 quarterly periods. For fiscal years beginning on or after~~
~~41 15 July 1, 1989, allotments of appropriations for equipment,~~
~~41 16 land, permanent improvements, and other capital projects,~~
~~41 17 except where contracts have been entered into with regard to~~
~~41 18 the acquisition or project prior to July 1, 1989, shall not be~~
~~41 19 allotted in one amount but shall be allotted at quarterly~~
~~41 20 periods as provided in this section.~~

41 21 2. Allotments ~~thus made in accordance with subsection 1~~
41 22 may be subsequently modified by the director of the department
41 23 of management at the direction of the governor either upon the
41 24 written request of the head of the department or establishment
41 25 concerned, or in the event the governor finds that the
41 26 estimated budget resources during the fiscal year are
41 27 insufficient to pay all appropriations in full, upon the
41 28 governor's own initiative to the extent the governor may deem
41 29 necessary in order that there shall be no overdraft or deficit
41 30 in the several funds of the state at the end of the fiscal
41 31 year; and the head of the department or establishment shall be

41 32 given notice of a modification in the same way as in the case
41 33 of original allotments.

41 34 ~~3. Provided, however, that the~~ The allotment requests of
41 35 all departments and establishments collecting governmental
42 1 fees and other revenue which supplement a state appropriation
42 2 shall attach to the summary of requests a statement showing
42 3 how much of the proposed allotments are to be financed from
42 4 ~~(1)~~ state appropriations, ~~(2)~~ stores, and ~~(3)~~ repayment
42 5 receipts.

42 6 4. The procedure to be employed in controlling the
42 7 expenditures and receipts of the state fair board and the
42 8 institutions under the state board of regents, whose
42 9 collections are not deposited in the state treasury, is that
42 10 outlined in section 421.31, subsection 6.

42 11 5. If the governor determines that the estimated budget
42 12 resources during the fiscal year are insufficient to pay all
42 13 appropriations in full, the reductions shall be uniform and
42 14 prorated between all departments, agencies and establishments
42 15 upon the basis of their respective appropriations.

42 16 6. Allotments from appropriations for the foreign trade
42 17 offices of the department of economic development, if the
42 18 appropriations are described by line item in the department's
42 19 appropriation Act or another Act, may be made ~~without regard~~
~~42 20 to quarterly periods~~ as is necessary to take advantage of the
42 21 most favorable foreign currency exchange rates.

42 22 Sec. 90. Section 8.57, subsection 1, paragraph c, Code
42 23 2003, is amended to read as follows:

42 24 c. The amount appropriated in this section is not subject
42 25 to the provisions of section 8.31, relating to ~~quarterly~~
42 26 requisitions and allotment, or to section 8.32, relating to
42 27 conditional availability of appropriations.

42 28 Sec. 91. Section 12B.10, subsection 6, paragraph d,
42 29 subparagraph (4), Code 2003, is amended to read as follows:

42 30 (4) For investments of short-term operating funds, the
42 31 funds shall not be invested in investments having effective
42 32 maturities exceeding sixty-three months.

42 33 Sec. 92. Section 12B.10A, subsection 6, paragraph d,
42 34 subparagraph (4), Code 2003, is amended to read as follows:

42 35 (4) For investments of short-term operating funds, the
43 1 funds shall not be invested in investments having effective
43 2 maturities exceeding sixty-three months.

43 3 Sec. 93. Section 12C.27, Code 2003, is amended by striking
43 4 the section and inserting in lieu thereof the following:

43 5 12C.27 FAILURE TO MAINTAIN REQUIRED COLLATERAL.

43 6 If the treasurer of state determines that a bank fails to
43 7 comply with chapter 12C.22, subsections 2 and 3, the treasurer
43 8 of state may restrict that bank from accepting uninsured
43 9 public funds and shall notify the office of thrift
43 10 supervision, the office of the comptroller of the currency, or
43 11 the superintendent as applicable, who may take such action
43 12 against the bank, its board of directors and officers as
43 13 permitted by law.

43 14 Sec. 94. Section 12E.12, subsection 8, Code 2003, is
43 15 amended to read as follows:

43 16 8. With respect to the payment of certain debt service,
43 17 the debt service to be paid shall be those installments of
43 18 debt service on bonds selected by the treasurer of state and
43 19 identified in the authority's tax certificate delivered at the
43 20 time of the issuance of the bonds issued pursuant to this
43 21 chapter, or as otherwise selected by the treasurer of state.
43 22 Once the bonds and the installments of debt service thereon
43 23 are so selected, that debt service and bonds shall not be
43 24 paid, or provided to be paid, from any other source including
43 25 the state or any of its departments or agencies. Provided,
43 26 however, that if funds are not appropriated to pay debt
43 27 service on such bonds when due, the issuing agency shall pay
43 28 ~~such~~ the debt service from any available source as provided in
43 29 the bond covenants for such bonds. To the extent that this
43 30 section does not allow proceeds of previously issued refunding
43 31 bonds to be applied for the purpose of the refunding, the
43 32 issuing agency may expend such proceeds to improve, remodel,
43 33 or repair buildings or other infrastructure upon authorization
43 34 of the issuing agency's authority.

43 35 Sec. 95. Section 15E.42, subsection 3, Code 2003, is
44 1 amended to read as follows:

44 2 3. "Investor" means an individual making a cash investment
44 3 in a qualifying business or an individual taxed on income from
44 4 a revocable trust's cash investment in a qualifying business
44 5 or a person making a cash investment in a community-based seed
44 6 capital fund. "Investor" does not include a person which is a
44 7 current or previous owner, member, or shareholder in a

44 8 qualifying business.
44 9 Sec. 96. Section 15E.43, subsection 1, paragraph a, Code
44 10 2003, is amended to read as follows:
44 11 a. For tax years beginning on or after January 1, 2002, a
44 12 tax credit shall be allowed against the taxes imposed in
44 13 chapter 422, division II, for a portion of an individual
44 14 taxpayer's equity investment, as provided in subsection 2, in
44 15 a qualifying business. An individual shall not claim a tax
44 16 credit under this paragraph of a partnership, limited
44 17 liability company, S corporation, estate, or trust electing to
44 18 have income taxed directly to the individual. However, an
44 19 individual receiving income from a revocable trust's
44 20 investment in a qualified business may claim a tax credit
44 21 under this paragraph against the taxes imposed in chapter 422,
44 22 division II, for a portion of the revocable trust's equity
44 23 investment, as provided in subsection 2, in a qualified
44 24 business.

44 25 Sec. 97. Section 15E.43, subsection 1, Code 2003, is
44 26 amended by adding the following new paragraph:
44 27 NEW PARAGRAPH. d. In the case of a tax credit allowed
44 28 against the taxes imposed in chapter 422, division II, where
44 29 the taxpayer died prior to redeeming the entire tax credit,
44 30 the remaining credit can be redeemed on the decedent's final
44 31 income tax return.

44 32 Sec. 98. Section 15E.45, subsection 2, paragraph c, Code
44 33 2003, is amended to read as follows:
44 34 c. The fund has no fewer than ten ~~individual~~ investors who
44 35 are not affiliates, with no single investor and affiliates of
45 1 that investor together owning a total of more than twenty-five
45 2 percent of the ownership interests outstanding in the fund.

45 3 Sec. 99. Section 15E.51, subsection 4, Code 2003, is
45 4 amended to read as follows:

45 5 4. A taxpayer shall not claim a tax credit under this
45 6 section if the taxpayer is a venture capital investment fund
45 7 allocation manager for the Iowa fund of funds created in
45 8 section 15E.65 or an investor that receives a tax credit for
45 9 ~~an~~ the same investment in a community-based seed capital fund
45 10 as defined in 2002 Iowa Acts, House File 2271.

45 11 Sec. 100. Section 15E.193B, subsection 4, Code 2003, is
45 12 amended to read as follows:

45 13 4. The eligible housing business shall complete its
45 14 building or rehabilitation within two years from the time the
45 15 business begins construction on the single-family homes and
45 16 dwelling units. The failure to complete construction or
45 17 rehabilitation within two years shall result in the eligible
45 18 housing business becoming ineligible and subject to the
45 19 repayment requirements and penalties enumerated in subsection
45 20 7. The department may extend the prescribed two-year
45 21 completion period for any project which has not been completed
45 22 if the department determines that completion within the two-
45 23 year period is impossible or impractical as a result of a
45 24 substantial loss caused by flood, fire, earthquake, storm, or
45 25 other catastrophe. For purposes of this subsection,
45 26 "substantial loss" means damage or destruction in an amount in
45 27 excess of thirty percent of the project's expected eligible
45 28 basis as set forth in the eligible housing business's
45 29 application.

45 30 Sec. 101. NEW SECTION. 16.181 HOUSING TRUST FUND.

45 31 1. a. A housing trust fund is created within the
45 32 authority. The moneys in the housing trust fund are annually
45 33 appropriated to the authority to be used for the development
45 34 and preservation of affordable housing for low-income people
45 35 in the state. Payment of interest, recaptures of awards, or
46 1 other repayments to the housing trust fund shall be deposited
46 2 in the fund. Notwithstanding section 12C.7, interest or
46 3 earnings on moneys in the housing trust fund or appropriated
46 4 to the fund shall be credited to the fund. Notwithstanding
46 5 section 8.33, unencumbered and unobligated moneys remaining in
46 6 the fund at the close of each fiscal year shall not revert but
46 7 shall remain available for expenditure for the same purposes
46 8 in the succeeding fiscal year.

46 9 b. Assets in the housing trust fund shall consist of all
46 10 of the following:

46 11 (1) Any assets received by the authority from the Iowa
46 12 housing corporation.

46 13 (2) Any assets transferred by the authority for deposit in
46 14 the housing trust fund.

46 15 (3) Any other moneys appropriated by the general assembly
46 16 and any other moneys available to and obtained or accepted by
46 17 the authority for placement in the housing trust fund.

46 18 c. The authority shall create the following programs

46 19 within the housing trust fund:

46 20 (1) Local housing trust fund program. Sixty percent of
46 21 available moneys in the housing trust fund shall be allocated
46 22 for the local housing trust fund program. Any moneys
46 23 remaining in the local housing trust fund program on April 1
46 24 of each fiscal year which have not been awarded to a local
46 25 housing trust fund may be transferred to the project-based
46 26 housing program at any time prior to the end of the fiscal
46 27 year.

46 28 (2) Project-based housing program. Forty percent of the
46 29 available moneys in the housing trust fund shall be allocated
46 30 to the project-based housing program.

46 31 2. a. In order to be eligible to apply for funding from
46 32 the local housing trust fund program, a local housing trust
46 33 fund must be approved by the authority and have all of the
46 34 following:

46 35 (1) A local governing board recognized by the city,
47 1 county, council of governments, or regional officials as the
47 2 board responsible for coordinating local housing programs.

47 3 (2) A housing assistance plan approved by the authority.

47 4 (3) Sufficient administrative capacity in regard to
47 5 housing programs.

47 6 (4) A local match requirement approved by the authority.

47 7 b. An award from the local housing trust fund program
47 8 shall not exceed ten percent of the balance in the program at
47 9 the beginning of the fiscal year plus ten percent of any
47 10 deposits made during the fiscal year.

47 11 c. By December 31 of each year, a local housing trust fund
47 12 receiving moneys from the local housing trust fund program
47 13 shall submit a report to the authority itemizing expenditures
47 14 of the awarded moneys.

47 15 3. In an area where no local housing trust fund exists, a
47 16 person may apply for moneys from the project-based housing
47 17 program.

47 18 4. The authority shall adopt rules pursuant to chapter 17A
47 19 necessary to administer this section.

47 20 Sec. 102. Section 25.1, Code 2003, is amended by adding
47 21 the following new subsection:

47 22 NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2,
47 23 and section 25.2, the state appeal board shall not consider
47 24 claims for refund of the unused portion of vehicle
47 25 registration fees collected under section 321.105.

47 26 Sec. 103. Section 28.9, subsection 2, Code 2003, is
47 27 amended to read as follows:

47 28 2. a. A school ready children grants account is created
47 29 in the Iowa empowerment fund under the authority of the
47 30 director of the department of education. Moneys credited to
47 31 the account shall be distributed by the department of
47 32 education in the form of grants to community empowerment areas
47 33 pursuant to criteria established by the Iowa board in
47 34 accordance with law.

47 35 b. The distribution formula utilized by the Iowa board for
48 1 school ready children grants in the fiscal year beginning July
48 2 1, 2004, and for each succeeding fiscal year, shall
48 3 specifically incorporate the following components:

48 4 (1) A minimum statewide performance baseline shall be
48 5 established for the core indicators of performance identified
48 6 pursuant to section 28.8, subsection 1, paragraph "a".

48 7 (2) A community empowerment area must maintain its
48 8 designated status in good standing and must have received
48 9 continued approval of its school ready children grant plan.

48 10 (3) The community empowerment area must identify how the
48 11 core indicators of performance will be addressed by the area
48 12 and select two or more of the core indicators that will

48 13 achieve a minimum percentage of improvement identified by the
48 14 area, subject to approval by the Iowa board. The community
48 15 empowerment area's data for the calendar year preceding the
48 16 year in which the area initially received a school ready
48 17 children grant shall be used as the area's baseline year.

48 18 (4) If an area achieves the identified percentage level of
48 19 improvement in the preceding calendar year, the area's minimum
48 20 grant amount shall be the annualized grant amount received in
48 21 the area's initial year of funding. The Iowa board may
48 22 implement provisions for averaging the performance levels over
48 23 two or more years and other approaches to apply the
48 24 requirements of this paragraph "b" in an equitable manner.

48 25 (5) If an area does not achieve the identified percentage
48 26 level of improvement in the preceding calendar year, the area
48 27 shall receive a reduction from the area's minimum grant
48 28 amount. If the identified percentage level of improvement is
48 29 achieved in the next succeeding calendar year, the area's

48 30 minimum grant amount shall be restored.

48 31 Sec. 104. Section 29C.8, subsection 3, Code 2003, is
48 32 amended by adding the following new paragraphs:

48 33 NEW PARAGRAPH. f. (1) Approve and support the
48 34 development and ongoing operations of an urban search and
48 35 rescue team to be deployed as a resource to supplement and
49 1 enhance emergency and disaster operations.

49 2 (2) A member of an urban search and rescue team acting
49 3 under the authority of the administrator or pursuant to a
49 4 governor's disaster proclamation as provided in section 29C.6
49 5 shall be considered an employee of the state under chapter 669
49 6 and shall be afforded protection as an employee of the state
49 7 under section 669.21. Disability, workers' compensation, and
49 8 death benefits for team members working under the authority of
49 9 the administrator or pursuant to the provisions of section
49 10 29C.6 shall be paid by the state in a manner consistent with
49 11 the provisions of chapter 85, 410, or 411 as appropriate,
49 12 depending on the status of the member.

49 13 NEW PARAGRAPH. g. Develop, implement, and support a
49 14 uniform incident command system to be used by state agencies
49 15 to facilitate efficient and effective assistance to those
49 16 affected by emergencies and disasters. This system shall be
49 17 consistent with the requirements of the United States
49 18 occupational safety and health administration and a national
49 19 incident management system.

49 20 Sec. 105. Section 29C.20, subsection 1, Code 2003, is
49 21 amended to read as follows:

49 22 1. a. A contingent fund is created in the state treasury
49 23 for the use of the executive council which may be expended for
49 24 the purpose of paying following purposes:

49 25 (1) Paying the expenses of suppressing an insurrection or
49 26 riot, actual or threatened, when state aid has been rendered
49 27 by order of the governor, and for repairing,

49 28 (2) Repairing, rebuilding, or restoring state property
49 29 injured, destroyed, or lost by fire, storm, theft, or
49 30 unavoidable cause, and for repairing,

49 31 (3) Repairing, rebuilding, or restoring state property
49 32 which that is fiberoptic cable and which that is injured or
49 33 destroyed by a wild animal, and for aid to,

49 34 (4) Paying the expenses incurred by and claims of an urban
49 35 search and rescue team when acting under the authority of the
50 1 administrator and the provisions of section 29C.6 and disaster
50 2 medical assistance teams when acting under the provisions of
50 3 section 135.153.

50 4 (5) (a) Aiding any governmental subdivision in an area
50 5 declared by the governor to be a disaster area due to natural
50 6 disasters or to expenditures necessitated by the governmental
50 7 subdivision toward averting or lessening the impact of the
50 8 potential disaster, where the effect of the disaster or action
50 9 on the governmental subdivision is the immediate financial
50 10 inability to meet the continuing requirements of local
50 11 government.

50 12 (b) Upon application by a governmental subdivision in such
50 13 an area, accompanied by a showing of obligations and
50 14 expenditures necessitated by an actual or potential disaster
50 15 in a form and with further information the executive council
50 16 requires, the aid may be made in the discretion of the
50 17 executive council and, if made, shall be in the nature of a
50 18 loan up to a limit of seventy-five percent of the showing of
50 19 obligations and expenditures. The loan, without interest,
50 20 shall be repaid by the maximum annual emergency levy
50 21 authorized by section 24.6, or by the appropriate levy
50 22 authorized for a governmental subdivision not covered by
50 23 section 24.6. The aggregate total of loans shall not exceed
50 24 one million dollars during a fiscal year. A loan shall not be
50 25 for an obligation or expenditure occurring more than two years
50 26 previous to the application.

50 27 b. When a state department or agency requests that moneys
50 28 from the contingent fund be expended to repair, rebuild, or
50 29 restore state property injured, destroyed, or lost by fire,
50 30 storm, theft, or unavoidable cause, or to repair, rebuild, or
50 31 restore state property which that is fiberoptic cable and
50 32 which that is injured or destroyed by a wild animal, or for
50 33 payment of the expenses incurred by and claims of an urban
50 34 search and rescue team when acting under the authority of the
50 35 administrator and the provisions of section 29C.6, the

51 1 executive council shall consider the original source of the
51 2 funds for acquisition of the property before authorizing the
51 3 expenditure. If the original source was other than the
51 4 general fund of the state, the department or agency shall be
51 5 directed to utilize moneys from the original source if

51 6 possible. The executive council shall not authorize the
51 7 repairing, rebuilding, or restoring of the property from the
51 8 disaster aid contingent fund if it determines that moneys from
51 9 the original source are available to finance the project.

51 10 Sec. 106. Section 80B.5, Code 2003, is amended to read as
51 11 follows:

51 12 80B.5 ADMINISTRATION.

51 13 The administration of the Iowa law enforcement academy and
51 14 council Act shall be vested in the office of the governor. ~~A~~
~~51 15 director of the academy and such staff~~ Staff as may be
51 16 necessary for ~~it~~ the law enforcement academy to function shall
51 17 be employed pursuant to the Iowa merit system.

51 18 Sec. 107. NEW SECTION. 80B.5A DIRECTOR.

51 19 The governor shall appoint the director of the Iowa law
51 20 enforcement academy, subject to senate confirmation, to a
51 21 four-year term beginning and ending as provided in section
51 22 69.19.

51 23 Sec. 108. Section 99G.9, subsection 3, paragraph j, if
51 24 enacted by 2003 Iowa Acts, Senate File 453, is amended by
51 25 striking the paragraph.

51 26 Sec. 109. Section 99G.40, subsection 5, if enacted by 2003
51 27 Iowa Acts, Senate File 453, is amended to read as follows:

51 28 5. The authority shall adopt the same fiscal year as that
51 29 used by state government and shall be audited annually by the
51 30 auditor of state or a certified public accounting firm
51 31 appointed by the auditor. The auditor of state or a designee
51 32 conducting an audit under this chapter shall have access and
51 33 authority to examine any and all records of licensees
51 34 necessary to determine compliance with this chapter and the
51 35 rules adopted pursuant to this chapter. The cost of audits
52 1 and examinations conducted by the auditor of state or a
52 2 designee shall be paid for by the authority.

52 3 Sec. 110. NEW SECTION. 174.24 LIABILITY OF COUNTY FAIR
52 4 SOCIETY.

52 5 A society, as defined in section 174.1, shall be immune
52 6 from liability for any damages incurred at a county fair held
52 7 by the society if the damages were incurred on or at an
52 8 exhibit, leased facility, amusement ride, or an activity not
52 9 under the control of the society, if the county fair requires
52 10 the vendor in control of the exhibit, leased facility,
52 11 amusement ride, or other activity to obtain liability
52 12 insurance of at least three hundred thousand dollars. An
52 13 officer or employee of a society, as defined in section 174.1,
52 14 shall not be held liable for punitive damages as a result of
52 15 acts in the performance of the officer's or employee's duties,
52 16 unless reckless misconduct is proven.

52 17 Sec. 111. Section 257.11, subsection 5, paragraph b, Code
52 18 2003, is amended to read as follows:

52 19 b. A school district which establishes a regional academy
52 20 shall be eligible to assign its resident pupils attending
52 21 classes at the academy a weighting of one-tenth of the
52 22 percentage of the pupil's school day during which the pupil
52 23 attends classes at the regional academy. For the purposes of
52 24 this subsection, "regional academy" means an educational
52 25 institution established by a school district to which multiple
52 26 schools send pupils in grades ~~seven~~ nine through twelve, and
52 27 may include a virtual academy. A regional academy shall
52 28 include in its curriculum advanced-level courses and may
52 29 include in its curriculum vocational-technical ~~programs~~
52 30 courses. The maximum amount of additional weighting for which
52 31 a school district establishing a regional academy shall be
52 32 eligible is an amount corresponding to fifteen additional
52 33 pupils. The minimum amount of additional weighting for which
52 34 a school district establishing a regional academy shall be
52 35 eligible is an amount corresponding to ten additional pupils
53 1 if the academy provides both advanced-level courses and
53 2 vocational-technical courses. However, if the sum of the
53 3 funding amount calculated for all districts operating regional
53 4 academies under this subsection exceeds one million dollars
53 5 for the school year beginning July 1, 2004, and each
53 6 succeeding fiscal year, the director of the department of
53 7 management shall prorate the amount calculated for each
53 8 district. The proration shall be based upon the amount
53 9 calculated for each district when compared to the sum of the
53 10 amount for all districts.

53 11 Sec. 112. Section 260C.14, Code 2003, is amended by adding
53 12 the following new subsection:

53 13 NEW SUBSECTION. 20. Adopt a policy to offer not less than
53 14 the following options to a student who is a member of the Iowa
53 15 national guard or reserve forces of the United States and who
53 16 is ordered to active state service or federal service or duty:

53 17 a. Withdraw from the student's entire registration and
53 18 receive a full refund of tuition and mandatory fees.
53 19 b. Make arrangements with the student's instructors for
53 20 course grades, or for incompletes that shall be completed by
53 21 the student at a later date. If such arrangements are made,
53 22 the student's registration shall remain intact and tuition and
53 23 mandatory fees shall be assessed for the courses in full.
53 24 c. Make arrangements with only some of the student's
53 25 instructors for course grades, or for incompletes that shall
53 26 be completed by the student at a later date. If such
53 27 arrangements are made, the registration for those courses
53 28 shall remain intact and tuition and mandatory fees shall be
53 29 assessed for those courses. Any course for which arrangements
53 30 cannot be made for grades or incompletes shall be considered
53 31 dropped and the tuition and mandatory fees for the course
53 32 refunded.

53 33 Sec. 113. Section 261.9, subsection 1, unnumbered
53 34 paragraph 1, Code 2003, is amended to read as follows:

53 35 "Accredited private institution" means an institution of
54 1 higher learning located in Iowa which is operated privately
54 2 and not controlled or administered by any state agency or any
54 3 subdivision of the state, except for county hospitals as
54 4 provided in paragraph "c" of this subsection, and which meets
54 5 at least one of the criteria in paragraphs "a" through "c" and
54 6 all of the criteria in paragraphs "d" through "~~f~~" "g":

54 7 Sec. 114. Section 261.9, subsection 1, Code 2003, is
54 8 amended by adding the following new paragraph:

54 9 NEW PARAGRAPH. g. Adopts a policy to offer not less than
54 10 the following options to a student who is a member of the Iowa
54 11 national guard or reserve forces of the United States and who
54 12 is ordered to active state service or federal service or duty:

54 13 (1) Withdraw from the student's entire registration and
54 14 receive a full refund of tuition and mandatory fees.

54 15 (2) Make arrangements with the student's instructors for
54 16 course grades, or for incompletes that shall be completed by
54 17 the student at a later date. If such arrangements are made,
54 18 the student's registration shall remain intact and tuition and
54 19 mandatory fees shall be assessed for the courses in full.

54 20 (3) Make arrangements with only some of the student's
54 21 instructors for grades, or for incompletes that shall be
54 22 completed by the student at a later date. If such
54 23 arrangements are made, the registration for those courses
54 24 shall remain intact and tuition and mandatory fees shall be
54 25 assessed for those courses. Any course for which arrangements
54 26 cannot be made for grades or incompletes shall be considered
54 27 dropped and the tuition and mandatory fees for the course
54 28 refunded.

54 29 Sec. 115. Section 262.9, Code 2003, is amended by adding
54 30 the following new subsection:

54 31 NEW SUBSECTION. 29. Direct the institutions of higher
54 32 education under its control to adopt a policy to offer not
54 33 less than the following options to a student who is a member
54 34 of the Iowa national guard or reserve forces of the United
54 35 States and who is ordered to active state service or federal
55 1 service or duty:

55 2 a. Withdraw from the student's entire registration and
55 3 receive a full refund of tuition and mandatory fees.

55 4 b. Make arrangements with the student's instructors for
55 5 course grades, or for incompletes that shall be completed by
55 6 the student at a later date. If such arrangements are made,
55 7 the student's registration shall remain intact and tuition and
55 8 mandatory fees shall be assessed for the courses in full.

55 9 c. Make arrangements with only some of the student's
55 10 instructors for grades, or for incompletes that shall be
55 11 completed by the student at a later date. If such
55 12 arrangements are made, the registration for those courses
55 13 shall remain intact and tuition and mandatory fees shall be
55 14 assessed for those courses. Any course for which arrangements
55 15 cannot be made for grades or incompletes shall be considered
55 16 dropped and the tuition and mandatory fees for the course
55 17 refunded.

55 18 Sec. 116. Section 284.13, subsection 1, paragraph a, Code
55 19 2003, is amended to read as follows:

55 20 a. For each fiscal year in the fiscal year period
55 21 beginning July 1, ~~2001~~ 2003, and ending June 30, ~~2002~~ 2005,
55 22 the department shall reserve up to one million five hundred
55 23 thousand dollars of any moneys appropriated for purposes of
55 24 this chapter. For each fiscal year in which moneys are
55 25 appropriated by the general assembly for purposes of team=
55 26 based variable pay pursuant to section 284.11, the amount of
55 27 moneys allocated to school districts shall be in the

55 28 proportion that the basic enrollment of a school district
55 29 bears to the sum of the basic enrollments of all participating
55 30 school districts for the budget year. However, the per pupil
55 31 amount distributed to a school district under the pilot
55 32 program shall not exceed one hundred dollars.

55 33 Sec. 117. Section 284.13, subsection 1, paragraph g,
55 34 unnumbered paragraph 1, Code 2003, is amended to read as
55 35 follows:

56 1 For each fiscal year in which funds are appropriated for
56 2 purposes of this chapter, the moneys remaining after
56 3 distribution as provided in paragraphs "a" through "f" and "h"
56 4 shall be allocated to school districts for salaries and career
56 5 development in accordance with the following formula:

56 6 Sec. 118. Section 294A.25, subsection 6, Code 2003, is
56 7 amended by striking the subsection.

56 8 Sec. 119. Section 294A.25, subsections 7, 8, and 9, Code
56 9 2003, are amended to read as follows:

56 10 7. ~~For~~ Except as otherwise provided in this section, for
56 11 the fiscal year beginning July 1, ~~1996~~ 2003, and succeeding
56 12 fiscal years, the remainder of moneys appropriated in
56 13 subsection 1 to the department of education shall be deposited
56 14 in the educational excellence fund to be allocated in an
56 15 amount to meet the ~~minimum salary~~ requirements of this chapter
56 16 for phase I, ~~in an amount to meet the requirements for and~~
56 17 ~~phase II, and the remainder of the appropriation for phase~~
56 18 ~~III.~~

56 19 8. Commencing with the fiscal year beginning July 1, ~~1997~~
56 20 2003, the amount of two hundred thirty thousand dollars for a
56 21 kindergarten to grade twelve management information system
56 22 ~~from additional funds transferred from phase I to phase III.~~

56 23 9. For the fiscal year beginning July 1, ~~2000~~ 2003, and
56 24 for each succeeding fiscal year, the amount of one hundred
56 25 seventy thousand dollars to the state board of regents for
56 26 distribution in the amount of sixty-eight thousand dollars to
56 27 the Iowa braille and sight saving school and in the amount of
56 28 one hundred two thousand dollars to the Iowa state school for
56 29 the deaf ~~from phase III moneys.~~

56 30 Sec. 120. Section 321J.2, subsection 2, paragraph a,
56 31 subparagraph (3), subparagraph subdivisions (a) and (b), as
56 32 enacted by 2003 Iowa Acts, House File 65, section 2, are
56 33 amended to read as follows:

56 34 (a) A defendant whose alcohol concentration is .08 or more
56 35 but not more than .10 shall not be eligible for any temporary
57 1 restricted license for at least thirty days if a test was
57 2 obtained and an accident resulting in personal injury or
57 3 property damage occurred. The defendant shall be ordered to
57 4 install an ignition interlock device of a type approved by the
57 5 commissioner of public safety on all vehicles owned or
57 6 operated by the defendant if the defendant seeks a temporary
57 7 restricted license. There shall be no such period of
57 8 ineligibility if no such accident occurred, and the defendant
57 9 shall not be ordered to install an ignition interlock device.

57 10 (b) A defendant whose alcohol concentration is more than
57 11 .10 shall not be eligible for any temporary restricted license
57 12 for at least thirty days if a test was obtained, and an
57 13 accident resulting in personal injury or property damage
57 14 occurred or the defendant's alcohol concentration exceeded
57 15 .15. There shall be no such period of ineligibility if no
57 16 such accident occurred and the defendant's alcohol
57 17 concentration did not exceed .15. In either case, where a
57 18 defendant's alcohol concentration is more than .10, the
57 19 defendant shall be ordered to install an ignition interlock
57 20 device of a type approved by the commissioner of public safety
57 21 on all vehicles owned or operated by the defendant if the
57 22 defendant seeks a temporary restricted license.

57 23 Sec. 121. Section 321J.4, subsection 1, paragraphs a and
57 24 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
57 25 amended to read as follows:

57 26 a. A defendant whose alcohol concentration is .08 or more
57 27 but not more than .10 shall not be eligible for any temporary
57 28 restricted license for at least thirty days if a test was
57 29 obtained and an accident resulting in personal injury or
57 30 property damage occurred. The defendant shall be ordered to
57 31 install an ignition interlock device of a type approved by the
57 32 commissioner of public safety on all vehicles owned or
57 33 operated by the defendant if the defendant seeks a temporary
57 34 restricted license. There shall be no such period of
57 35 ineligibility if no such accident occurred, and the defendant
58 1 shall not be ordered to install an ignition interlock device.

58 2 b. A defendant whose alcohol concentration is more than
58 3 .10 shall not be eligible for any temporary restricted license

58 4 for at least thirty days if a test was obtained, and an
58 5 accident resulting in personal injury or property damage
58 6 occurred or the defendant's alcohol concentration exceeded
58 7 .15. There shall be no such period of ineligibility if no
58 8 such accident occurred and the defendant's alcohol
58 9 concentration did not exceed .15. In either case, where a
58 10 defendant's alcohol concentration is more than .10, the
58 11 defendant shall be ordered to install an ignition interlock
58 12 device of a type approved by the commissioner of public safety
58 13 on all vehicles owned or operated by the defendant if the
58 14 defendant seeks a temporary restricted license.

58 15 Sec. 122. Section 321J.4, subsection 3, paragraphs a and
58 16 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
58 17 amended to read as follows:

58 18 a. A defendant whose alcohol concentration is .08 or more
58 19 but not more than .10 shall not be eligible for any temporary
58 20 restricted license for at least thirty days if a test was
58 21 obtained and an accident resulting in personal injury or
58 22 property damage occurred. The defendant shall be ordered to
58 23 install an ignition interlock device of a type approved by the
58 24 commissioner of public safety on all vehicles owned or
58 25 operated by the defendant if the defendant seeks a temporary
58 26 restricted license. There shall be no such period of
58 27 ineligibility if no such accident occurred, and the defendant
58 28 shall not be ordered to install an ignition interlock device.

58 29 b. A defendant whose alcohol concentration is more than
58 30 .10 shall not be eligible for any temporary restricted license
58 31 for at least thirty days if a test was obtained, and an
58 32 accident resulting in personal injury or property damage
58 33 occurred or the defendant's alcohol concentration exceeded
58 34 .15. There shall be no such period of ineligibility if no
58 35 such accident occurred and the defendant's alcohol
59 1 concentration did not exceed .15. In either case, where a
59 2 defendant's alcohol concentration is more than .10, the
59 3 defendant shall be ordered to install an ignition interlock
59 4 device of a type approved by the commissioner of public safety
59 5 on all vehicles owned or operated by the defendant if the
59 6 defendant seeks a temporary restricted license.

59 7 Sec. 123. Section 321J.12, subsection 2, paragraphs a and
59 8 b, as enacted by 2003 Iowa Acts, House File 65, section 5, are
59 9 amended to read as follows:

59 10 a. A person whose driver's license or nonresident
59 11 operating privileges have been revoked under subsection 1,
59 12 paragraph "a", whose alcohol concentration is .08 or more but
59 13 not more than .10 shall not be eligible for any temporary
59 14 restricted license for at least thirty days after the
59 15 effective date of the revocation if a test was obtained and an
59 16 accident resulting in personal injury or property damage
59 17 occurred. The defendant shall be ordered to install an
59 18 ignition interlock device of a type approved by the
59 19 commissioner of public safety on all vehicles owned or
59 20 operated by the defendant if the defendant seeks a temporary
59 21 license. There shall be no such period of ineligibility if no
59 22 such accident occurred, and the defendant shall not be ordered
59 23 to install an ignition interlock device.

59 24 b. A defendant whose alcohol concentration is more than
59 25 .10 shall not be eligible for any temporary restricted license
59 26 for at least thirty days if a test was obtained, and an
59 27 accident resulting in personal injury or property damage
59 28 occurred or the defendant's alcohol concentration exceeded
59 29 .15. There shall be no such period of ineligibility if no
59 30 such accident occurred and the defendant's alcohol
59 31 concentration did not exceed .15. In either case, where a
59 32 defendant's alcohol concentration is more than .10, the
59 33 defendant shall be ordered to install an ignition interlock
59 34 device of a type approved by the commissioner of public safety
59 35 on all vehicles owned or operated by the defendant if the
60 1 defendant seeks a temporary restricted license.

60 2 Sec. 124. Section 331.605C, subsections 1 and 2, if
60 3 enacted by 2003 Iowa Acts, Senate File 453, are amended to
60 4 read as follows:

60 5 1. For the fiscal year beginning July 1, 2003, and ending
60 6 June 30, 2004, the recorder shall collect a fee of five
60 7 dollars for each recorded transaction, regardless of the
60 8 number of pages, for which a fee is paid pursuant to section
60 9 331.604 to be used for the purposes of planning and
60 10 implementing electronic recording and electronic transactions
60 11 in each county and developing county and statewide internet
60 12 websites to provide electronic access to records and
60 13 information.

60 14 2. Beginning July 1, 2004, the recorder shall collect a

60 15 fee of one dollar for each recorded transaction, regardless of
60 16 the number of pages, for which a fee is paid pursuant to
60 17 section 331.604 to be used for the purpose of paying the
60 18 county's ongoing costs of maintaining the systems developed
60 19 and implemented under subsection 1.
60 20 Sec. 125. Section 331.605C, subsection 4, if enacted by
60 21 2003 Iowa Acts, Senate File 453, is amended to read as
60 22 follows:
60 23 4. The ~~state local electronic~~ government ~~electronic~~
60 24 transaction fund is established in the office of the treasurer
60 25 of state under the control of the treasurer of state. Moneys
60 26 deposited into the fund are not subject to section 8.33.
60 27 Notwithstanding section 12C.7, interest or earnings on moneys
60 28 in the ~~state local electronic~~ government ~~electronic~~
60 29 transaction fund shall be credited to the fund. Moneys in the
60 30 ~~state local electronic~~ government ~~electronic~~ transaction fund
60 31 are not subject to transfer, appropriation, or reversion to
60 32 any other fund, or any other use except as provided in this
60 33 subsection. The treasurer of state shall enter into a
60 34 contract with the Iowa state association of counties affiliate
60 35 representing county recorders to ~~develop, implement, and~~
61 1 ~~maintain~~ hold the fund for the development, implementation,
61 2 and maintenance of a statewide internet website for purposes
61 3 of providing electronic access to records and information
61 4 recorded or filed by county recorders. On a monthly basis,
61 5 the county treasurer shall pay one dollar of each fee
61 6 collected pursuant to subsection 1 to the treasurer of state
61 7 for deposit into the ~~state local electronic~~ government
61 8 ~~electronic~~ transaction fund. Moneys credited to the ~~state~~
61 9 ~~local electronic~~ government ~~electronic~~ transaction fund are
61 10 appropriated to the treasurer of state to be used for contract
61 11 costs. This subsection is repealed June 30, 2004.
61 12 Sec. 126. Section 422.45, Code 2003, is amended by adding
61 13 the following new subsection:
61 14 NEW SUBSECTION. 64. The gross receipts from noncustomer
61 15 point of sale or noncustomer automated teller machine access
61 16 or service charges assessed by a financial institution. For
61 17 purposes of this subsection, "financial institution" means the
61 18 same as defined in section 527.2.
61 19 Sec. 127. Section 423.4, Code 2003, is amended by adding
61 20 the following new subsection:
61 21 NEW SUBSECTION. 9A. Vehicles subject to registration
61 22 which are transferred from a corporation that is primarily
61 23 engaged in the business of leasing vehicles subject to
61 24 registration to a corporation that is primarily engaged in the
61 25 business of leasing vehicles subject to registration when the
61 26 transferor and transferee corporations are part of the same
61 27 controlled group for federal income tax purposes.
61 28 Sec. 128. Section 435.26A, subsections 2 and 5, as enacted
61 29 by 2003 Iowa Acts, Senate File 134, section 7, are amended to
61 30 read as follows:
61 31 2. Upon receipt of a certificate of title from a
61 32 manufactured home owner, a county treasurer shall notify the
61 33 department of transportation that the certificate of title has
61 34 been surrendered, remove the registration of title from the
61 35 county treasurer's records, and destroy the certificate of
62 1 title.
62 2 The manufactured home owner or the owner's representative
62 3 shall provide to the county recorder the identifying data of
62 4 the manufactured home, including the owner's name, the name of
62 5 the manufacturer, the model name, the year of manufacture, and
62 6 the serial number of the home, along with the legal
62 7 description of the real estate on which the manufactured home
62 8 is located. In addition, evidence shall be provided of the
62 9 surrender of the certificate of title. After the surrender of
62 10 the certificate of title of a manufactured home under this
62 11 section, conveyance of an interest in the manufactured home
62 12 shall not require transfer of title so long as the
62 13 manufactured home remains on the same real estate site.
62 14 5. An owner of a manufactured home who has surrendered a
62 15 certificate of title under this section and requires another
62 16 certificate of title for the manufactured home is required to
62 17 apply for a ~~bonded~~ certificate of title under ~~chapter 321~~
62 18 section 321.42. If supporting documents for the reissuance of
62 19 a title are not available or sufficient, the procedure for the
62 20 reissuance of a title specified in the rules of the department
62 21 of transportation shall be used.
62 22 Sec. 129. Section 452A.2, Code 2003, is amended by adding
62 23 the following new subsection:
62 24 NEW SUBSECTION. 20A. "Nonterminal storage facility" means
62 25 a facility where motor fuel or special fuel, other than

62 26 liquefied petroleum gas, is stored that is not supplied by a
62 27 pipeline or a marine vessel. "Nonterminal storage facility"
62 28 includes a facility that manufactures products such as
62 29 alcohol, biofuel, blend stocks, or additives which may be used
62 30 as motor fuel or special fuel, other than liquefied petroleum
62 31 gas, for operating motor vehicles or aircraft.

62 32 Sec. 130. Section 453A.2, Code 2003, is amended by adding
62 33 the following new subsection:

62 34 NEW SUBSECTION. 5B. A tobacco compliance employee
62 35 training fund is created in the office of the treasurer of
63 1 state. The fund shall consist of civil penalties assessed by
63 2 the Iowa department of public health under section 453A.22,
63 3 for violations of this section. Moneys in the fund are
63 4 appropriated to the alcoholic beverages division of the
63 5 department of commerce and shall be used to develop and
63 6 administer the tobacco compliance employee training program
63 7 under section 453A.2A. Moneys deposited in the fund shall not
63 8 be transferred, used, obligated, appropriated, or otherwise
63 9 encumbered except as provided in this subsection.
63 10 Notwithstanding section 8.33, any unexpended balance in the
63 11 fund at the end of the fiscal year shall be retained in the
63 12 fund.

63 13 Sec. 131. Section 453C.1, subsection 10, Code 2003, is
63 14 amended to read as follows:

63 15 10. "Units sold" means the number of individual cigarettes
63 16 sold in the state by the applicable tobacco product
63 17 manufacturer, whether directly or through a distributor,
63 18 retailer, or similar intermediary or intermediaries, during
63 19 the year in question, as measured by excise taxes collected by
63 20 the state on packs or roll-your-own tobacco containers ~~bearing~~
~~63 21 the excise tax stamp of the state.~~ The department of revenue
63 22 and finance shall adopt rules as are necessary to ascertain
63 23 the amount of state excise tax paid on the cigarettes of such
63 24 tobacco product manufacturer for each year.

63 25 Sec. 132. Section 453C.2, subsection 2, paragraph b,
63 26 subparagraph (2), Code 2003, is amended to read as follows:

63 27 (2) To the extent that a tobacco product manufacturer
63 28 establishes that the amount the manufacturer was required to
63 29 place into escrow on account of units sold in the state in a
63 30 particular year was greater than the state's allocable share
~~63 31 of the total payments that such manufacturer would have been~~
~~63 32 required to make in that year under the master settlement~~
~~63 33 agreement the master settlement agreement payments, as~~
~~63 34 determined pursuant to section IX(i) of that agreement~~
~~63 35 including after final determination of all adjustments, that~~
64 1 such manufacturer would have been required to make on account
64 2 of such units sold had such manufacturer been a participating
64 3 manufacturer, as such payments are determined pursuant to
64 4 section IX(i)(2) of the master settlement agreement and before
64 5 any of the adjustments or offsets described in section
64 6 IX(i)(3) of that agreement other than the inflation
64 7 adjustment, the excess shall be released from escrow and
64 8 revert back to such tobacco product manufacturer.

64 9 Sec. 133. Section 455D.9, Code 2003, is amended by adding
64 10 the following new subsection:

64 11 NEW SUBSECTION. 1A. Yard waste may be accepted by a
64 12 sanitary landfill for land disposal if the sanitary landfill
64 13 operates an active methane collection system that produces
64 14 electricity.

64 15 Sec. 134. Section 476.33, Code 2003, is amended by adding
64 16 the following new subsection:

64 17 NEW SUBSECTION. 5. a. The board shall adopt rules that
64 18 require the board, in a rate regulatory proceeding under
64 19 sections 476.3 and 476.6, to consider both of the following
64 20 for inclusion in rates:

64 21 (1) Capital infrastructure investments that will not
64 22 produce significant additional revenues and will be in service
64 23 in Iowa within nine months after the conclusion of the test
64 24 year.

64 25 (2) Cost of capital changes that will occur within nine
64 26 months after the conclusion of the test year that are
64 27 associated with a new generating plant that has been the
64 28 subject of a ratemaking principles proceeding pursuant to
64 29 section 476.53.

64 30 b. This subsection is repealed effective July 1, 2007.
64 31 However, any utilities board proceeding that is pending on
64 32 July 1, 2007, that is being conducted pursuant to section
64 33 476.3 or 476.6 shall be completed as if this section had not
64 34 been repealed. Upon repeal, the board may still consider the
64 35 adjustments addressed in this subsection, but shall not be
65 1 required to consider them.

65 2 Sec. 135. Section 505.7, Code 2003, is amended by adding
65 3 the following new subsection:
65 4 NEW SUBSECTION. 9. The commissioner may retain funds
65 5 collected during the fiscal year beginning July 1, 2003,
65 6 pursuant to any settlement, enforcement action, or other legal
65 7 action authorized under federal or state law for the purpose
65 8 of reimbursing costs and expenses of the division.

65 9 Sec. 136. Section 518.18, unnumbered paragraph 2, Code
65 10 2003, is amended to read as follows:

65 11 1. ~~Two~~ ~~The applicable~~ percent of the gross amount of
65 12 premiums received during the preceding calendar year, after
65 13 deducting the amount returned upon the canceled policies,
65 14 certificates, and rejected applications; and after deducting
65 15 premiums paid for windstorm or hail reinsurance on properties
65 16 specifically reinsured; ~~provided, however, that. However,~~ the
65 17 reinsurer of such windstorm or hail risks shall pay ~~two~~ the
65 18 applicable percent of the gross amount of reinsurance premiums
65 19 received upon such risks after deducting the amounts returned
65 20 upon canceled policies, certificates, and rejected
65 21 applications. For purposes of this section, "applicable
65 22 percent" means the same as specified in section 432.1,
65 23 subsection 4.

65 24 2. Except as provided in subsection 3, the premium tax
65 25 shall be paid on or before March 1 of the year following the
65 26 calendar year for which the tax is due. The commissioner of
65 27 insurance may suspend the certificate of authority of a county
65 28 mutual insurance association that fails to pay its premium tax
65 29 on or before the due date.

65 30 3. a. Each county mutual insurance association
65 31 transacting business in this state whose Iowa premium tax
65 32 liability for the preceding calendar year was one thousand
65 33 dollars or more shall remit on or before June 1, on a
65 34 prepayment basis, an amount equal to one-half of the premium
65 35 tax liability for the preceding calendar year.

66 1 b. In addition to the prepayment amount in paragraph "a",
66 2 each association shall remit on or before June 30, on a
66 3 prepayment basis, an additional amount equal to the following
66 4 percent of the premium tax liability for the preceding
66 5 calendar year as follows:

66 6 (1) For prepayment in the 2003 and 2004 calendar years,
66 7 eleven percent.

66 8 (2) For prepayment in the 2005 calendar year, twenty-six
66 9 percent.

66 10 (3) For prepayment in the 2006 and subsequent calendar
66 11 years, fifty percent.

66 12 c. The sums prepaid by a county mutual insurance
66 13 association under this subsection shall be allowed as credits
66 14 against its premium tax liability for the calendar year during
66 15 which the payments are made. If a prepayment made under this
66 16 subsection exceeds the annual premium tax liability, the
66 17 excess shall be allowed as a credit against subsequent
66 18 prepayment or tax liabilities. The commissioner of insurance
66 19 may suspend the certificate of authority of an association
66 20 that fails to make a prepayment on or before the due date.

66 21 Sec. 137. Section 518A.35, Code 2003, is amended to read
66 22 as follows:

66 23 518A.35 ANNUAL TAX.

66 24 1. A state mutual insurance association doing business
66 25 under this chapter shall on or before the first day of March,
66 26 each year, pay to the director of revenue and finance, or a
66 27 depository designated by the director, a sum equivalent to ~~two~~
66 28 the applicable percent of the gross receipts from premiums and
66 29 fees for business done within the state, including all
66 30 insurance upon property situated in the state without
66 31 including or deducting any amounts received or paid for
66 32 reinsurance. However, a company reinsuring windstorm or hail
66 33 risks written by county mutual insurance associations is
66 34 required to pay ~~a two~~ the applicable percent tax on the gross
66 35 amount of reinsurance premiums received upon such risks, but
67 1 after deducting the amount returned upon canceled policies and
67 2 rejected applications covering property situated within the
67 3 state, and dividends returned to policyholders on property
67 4 situated within the state. For purposes of this section,
67 5 "applicable percent" means the same as specified in section
67 6 432.1, subsection 4.

67 7 2. Except as provided in subsection 3, the premium tax
67 8 shall be paid on or before March 1 of the year following the
67 9 calendar year for which the tax is due. The commissioner of
67 10 insurance may suspend the certificate of authority of a state
67 11 mutual insurance association that fails to pay its premium tax
67 12 on or before the due date.

67 13 3. a. Each state mutual insurance association transacting
67 14 business in this state whose Iowa premium tax liability for
67 15 the preceding calendar year was one thousand dollars or more
67 16 shall remit on or before June 1, on a prepayment basis, an
67 17 amount equal to one-half of the premium tax liability for the
67 18 preceding calendar year.

67 19 b. In addition to the prepayment amount in paragraph "a",
67 20 each association shall remit on or before June 30, on a
67 21 prepayment basis, an additional amount equal to the following
67 22 percent of the premium tax liability for the preceding
67 23 calendar year as follows:

67 24 (1) For prepayment in the 2003 and 2004 calendar years,
67 25 eleven percent.

67 26 (2) For prepayment in the 2005 calendar year, twenty-six
67 27 percent.

67 28 (3) For prepayment in the 2006 and subsequent calendar
67 29 years, fifty percent.

67 30 c. The sums prepaid by a state mutual insurance
67 31 association under this subsection shall be allowed as credits
67 32 against its premium tax liability for the calendar year during
67 33 which the payments are made. If a prepayment made under this
67 34 subsection exceeds the annual premium tax liability, the
67 35 excess shall be allowed as a credit against subsequent
68 1 prepayment or tax liabilities. The commissioner of insurance
68 2 may suspend the certificate of authority of an association
68 3 that fails to make a prepayment on or before the due date.

68 4 Sec. 138. 2003 Iowa Acts, Senate File 453, section 30, if
68 5 enacted, is amended by striking the section and inserting in
68 6 lieu thereof the following:

68 7 SEC. 30. CHARGE FOR RENT. For the fiscal year beginning
68 8 July 1, 2003, and ending June 30, 2004, the department of
68 9 administrative services, if established in 2003 Iowa Acts,
68 10 House File 534, shall transfer \$900,000 to the general fund of
68 11 the state from the rent fund if established under section
68 12 8A.123 in 2003 Iowa Acts, House File 534.

68 13 Sec. 139. 2003 Iowa Acts, Senate File 453, section 35, if
68 14 enacted, is amended to read as follows:

68 15 SEC. 35. CHARTER AGENCY APPROPRIATIONS.

68 16 1. Notwithstanding any provision of law to the contrary,
68 17 the total operating appropriations ~~reductions as allowed under~~
68 18 ~~section 7J.1~~ from the general fund of the state to those
68 19 departments and agencies designated as charter agencies ~~and~~
68 20 ~~additional revenue to the general fund of the state attributed~~
68 21 ~~to the reinvention process as determined by the department of~~
68 22 ~~management above that already committed to the general fund of~~
68 23 ~~the state generated for the fiscal year beginning July 1,~~
68 24 ~~2003, and ending June 30, 2004, as provided by the~~
68 25 ~~appropriation to those agencies as enacted by the Eightieth~~
68 26 ~~General Assembly, 2003 Regular Session, shall be reduced by~~
68 27 ~~total \$15,000,000. The department of management shall apply~~
68 28 ~~the appropriation reductions, with a target of a 10 percent~~
68 29 ~~reduction for each charter agency, as necessary to which along~~
68 30 ~~with additional generated revenue shall achieve the overall~~
68 31 ~~reduction amount and shall make this information available to~~
68 32 ~~the legislative fiscal committee and the legislative fiscal~~
68 33 ~~bureau. It is the intent of the general assembly that~~
68 34 ~~appropriations to a charter agency in subsequent fiscal years~~
68 35 ~~shall be similarly adjusted from the appropriation that would~~
69 1 ~~otherwise have been enacted.~~

69 2 2. There is appropriated from the general fund of the
69 3 state to the department of management for the fiscal year
69 4 beginning July 1, 2003, and ending June 30, 2004, the
69 5 following amount, or so much thereof as is necessary, to be
69 6 used for the purposes designated:

69 7 For deposit in the charter agency ~~loan~~ grant fund created
69 8 in section 7J.2:

69 9 \$ 3,000,000

69 10 3. For the fiscal year beginning July 1, 2003, and ending
69 11 June 30, 2004, if the actual amount of revenue received by a
69 12 charter agency exceeds the revenue amount budgeted for that
69 13 charter agency by the governor and the general assembly, the
69 14 charter agency may consider the excess amount to be repayment
69 15 receipts as defined in section 8.2.

69 16 Sec. 140. Notwithstanding section 8.33, unencumbered and
69 17 unobligated funds remaining from the appropriation made in
69 18 1996 Iowa Acts, chapter 1218, section 13, subsection 2,
69 19 paragraph "a", subparagraph (2), as amended by 1997 Iowa Acts,
69 20 chapter 215, section 3, and from the appropriation made in
69 21 1997 Iowa Acts, chapter 215, section 4, subsection 1, shall
69 22 not revert but shall be available for the purposes designated
69 23 in those provisions until the close of the fiscal year

69 24 beginning July 1, 2003.

69 25 Sec. 141. 2003 Iowa Acts, Senate File 453, section 49,
69 26 subsection 1, unnumbered paragraph 1, if enacted, is amended
69 27 to read as follows:

69 28 The department of human services shall establish a work
69 29 group in cooperation with representatives of the insurance
69 30 industry and members of the medical assistance advisory
69 31 council to develop a plan for the redesign of the medical
69 32 assistance program. In developing the redesign plan, the work
69 33 group shall consider all of the following:

69 34 Sec. 142. 2003 Iowa Acts, Senate File 453, section 121, if
69 35 enacted, is amended to read as follows:

70 1 SEC. 121. EFFECTIVE DATE. This division of this Act,
70 2 creating the Iowa lottery authority, takes effect ~~September~~
70 3 July 1, 2003.

70 4 Sec. 143. Sections 266.8, 266.24, 266.25, and 266.26, Code
70 5 2003, are repealed.

70 6 Sec. 144. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION.

70 7 The state committee, if formed, shall develop a plan for
70 8 compliance with the federal Help America Vote Act, Pub. L. No.
70 9 107=252, and the state committee, in conjunction with the
70 10 state commissioner of elections, shall provide quarterly
70 11 updates to the Senate and House of Representatives standing
70 12 committees on government oversight on the status of the
70 13 implementation of Pub. L. No. 107=252.

70 14 Sec. 145. SALE OF DEPARTMENT OF CORRECTIONS' REAL
70 15 PROPERTY.

70 16 1. Immediately after the effective date of this section,
70 17 the department of corrections shall develop a plan to sell, at
70 18 market value, the twenty-acre tract of undeveloped land
70 19 adjacent to the Iowa correctional institution for women to any
70 20 municipality with a population of less than twenty thousand
70 21 persons. The plan shall include the sale of the tract of land
70 22 within a commercially reasonable time. The sale shall be
70 23 negotiated by the department and shall be handled in a manner
70 24 that is financially beneficial to the department. The
70 25 department shall as a condition of the sale to the
70 26 municipality require that the land not be sold by the
70 27 municipality for a period of ninety-nine years unless the land
70 28 is resold back to the state. Appraisals conducted by the
70 29 department of the value of the land shall be made available to
70 30 the public immediately following the sale of the tract of
70 31 land. If the department is unable to negotiate a financially
70 32 beneficial sale, the tract of land shall not be sold, and the
70 33 department shall provide the legislative fiscal bureau with
70 34 the reasons the sale did not occur.

70 35 2. The proceeds from the sale of the property as provided
71 1 in subsection 1 shall be retained by the department of
71 2 corrections to be used for correctional facilities. The costs
71 3 incident to the sale of the tract of land including, but not
71 4 limited to, appraisals, invitations for offers, abstracts, and
71 5 other necessary costs, may be paid from the proceeds of the
71 6 sale or from moneys appropriated for support and maintenance
71 7 to the institution at which the real estate is located.

71 8 3. The provisions of section 904.317 shall not apply to
71 9 the sale of the tract of land sold in accordance with this
71 10 section.

71 11 Sec. 146. SALES AND USE TAX REFUND.

71 12 1. Notwithstanding the one-year application period
71 13 provided for in section 422.45, subsection 7, paragraph "b",
71 14 an application by a city with a population between 550 and 625
71 15 located entirely in a county with a population between 39,750
71 16 and 41,750 for a refund of sales, services, or use tax paid
71 17 upon any goods, wares, or merchandise, or services rendered,
71 18 furnished, or performed and used in the performance of
71 19 contracts involving a street construction project and a sewer
71 20 project is considered timely filed under section 422.45,
71 21 subsection 7, if the application for refund is filed with the
71 22 department of revenue and finance on or before August 1, 2003.

71 23 2. Notwithstanding the amount applied for under subsection
71 24 1, the amount of a refund paid under this section shall not
71 25 exceed \$15,000.

71 26 Sec. 147. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

71 27 1. Any school district located in a county with a
71 28 population between 11,550 and 12,000 is authorized to refile a
71 29 claim for state reimbursement of the costs of providing
71 30 vocational education programs at the secondary level in its
71 31 district notwithstanding the denial of its previously filed
71 32 claim with the state appeal board if the claim is filed by
71 33 October 1, 2003. Such claim shall be considered timely filed
71 34 notwithstanding any provision of law.

71 35 2. If the claim filed pursuant to subsection 1 is a valid
72 1 claim for state reimbursement, the claim shall be paid subject
72 2 to the following:
72 3 a. The amount of costs reimbursed shall not exceed 6.5
72 4 percent.
72 5 b. Any amount reimbursed pursuant to any previously filed
72 6 claim relating to the same costs shall not be included.
72 7 c. The total amount reimbursed under this section shall
72 8 not exceed \$6,000.

72 9 Sec. 148. COORDINATION OF PUBLIC TRANSPORTATION STUDY.
72 10 The state department of transportation shall conduct a study
72 11 and prepare a report pertaining to administrative efficiencies
72 12 that may be gained by the coordination of transit management
72 13 and maintenance systems in the areas of school transportation,
72 14 public transit, and other forms of public transportation. The
72 15 report shall be provided to the general assembly by December
72 16 31, 2003.

72 17 Sec. 149. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
72 18 SERVICES. To the extent that, pursuant to law enacted by the
72 19 Eightieth General Assembly, 2003 Session, supplemental payment
72 20 adjustments are implemented for physician services provided to
72 21 medical assistance program participants at publicly owned
72 22 acute care hospitals, the department of human services shall
72 23 not, directly or indirectly, recoup the supplemental payment
72 24 adjustments for any reason, unless an amount equivalent to the
72 25 amount of adjustment funds that were transferred to the
72 26 department by the state university of Iowa college of medicine
72 27 is transferred by the department to the qualifying physicians.

72 28 Sec. 150. UTILITIES BOARD REVIEW. The utilities board
72 29 shall initiate and coordinate a review of current ratemaking
72 30 procedures to determine whether different procedures would be
72 31 cost-effective and would result in rates that more accurately
72 32 reflect a utility's cost of providing service to its customers
72 33 in Iowa. The board shall allow the consumer advocate division
72 34 of the department of justice, the rate-regulated utilities,
72 35 and other interested persons to participate in its review.
73 1 The board shall report the results of its review to the
73 2 general assembly, with recommendations as appropriate, on or
73 3 before January 5, 2004.

73 4 Sec. 151. USE OF TEAM-BASED VARIABLE PAY MONEYS FOR FY
73 5 2003=2004. Notwithstanding section 284.13, subsection 1,
73 6 paragraph a, of the moneys reserved for purposes of team-based
73 7 variable pay for the fiscal year beginning July 1, 2003, and
73 8 ending June 30, 2004, the sum of two hundred thousand dollars
73 9 shall be used for purposes of the reading instruction pilot
73 10 program established pursuant to 2003 Iowa Acts, House File
73 11 549, if enacted.

73 12 Sec. 152. FULL-SIZE OFF-HIGHWAY VEHICLE REGISTRATION
73 13 PROGRAM == PLAN. The department of natural resources and the
73 14 state department of transportation, in consultation with the
73 15 Iowa association of four wheel drive clubs, shall develop a
73 16 plan for the establishment of a registration program for full-
73 17 size off-highway vehicles for the purposes of regulating the
73 18 recreational use of full-size off-highway vehicles and
73 19 establishing a full-size off-highway vehicle recreation area
73 20 in the state. The plan shall include an analysis of the
73 21 number of full-size off-highway vehicles expected to be
73 22 registered prior to the establishment of a full-size off-
73 23 highway vehicle recreation area and the number of
73 24 registrations expected after the establishment of such a
73 25 facility. The plan shall also include optimum locations for a
73 26 full-size off-highway vehicle recreation area, estimated
73 27 costs, if any, for maintenance of the area, and any other
73 28 issues the departments and the association deem to be of
73 29 importance in the planning process. The plan, which shall
73 30 include any proposed legislation for implementation of the
73 31 plan, shall be submitted to the legislative services agency
73 32 and the general assembly no later than January 1, 2004.

73 33 Sec. 153. ELIMINATION OF POSITION == IOWA LAW ENFORCEMENT
73 34 ACADEMY DIRECTOR. The merit position of director of the Iowa
73 35 law enforcement academy referred to in section 80B.5, Code
74 1 2003, is eliminated effective April 30, 2004.

74 2 Sec. 154. SEVERABILITY.
74 3 1. If this entire Act or any portion of section 453C.2,
74 4 subsection 2, paragraph "b", subparagraph (2), as amended in
74 5 this Act, is held by a court of competent jurisdiction to be
74 6 unconstitutional, section 453C.2, subsection 2, paragraph "b",
74 7 subparagraph (2), is repealed in its entirety.
74 8 2. If section 453C.2, subsection 2, paragraph "b",
74 9 subparagraph (2), is repealed pursuant to subsection 1 and a
74 10 court of competent jurisdiction subsequently finds that

74 11 section 453C.2, subsection 2, paragraph "b", is
74 12 unconstitutional due to such repeal, section 453C.2,
74 13 subsection 2, paragraph "b", subparagraph (2), Code 2003,
74 14 shall be restored.

74 15 3. Any holding of unconstitutionality or any repeal of
74 16 section 453C.2, subsection 2, paragraph "b", subparagraph (2),
74 17 as amended in this Act, or of section 453C.2, subsection 2,
74 18 paragraph "b", subparagraph (2), Code 2003, shall not affect,
74 19 impair, or invalidate any other portion of section 453C.2 or
74 20 the application of that section to any other person or
74 21 circumstance, and the remaining portions of section 453C.2,
74 22 shall continue in full force and effect.

74 23 Sec. 155. FEDERAL HOUSING MONEYS. Any federal moneys
74 24 received by the department of economic development for the
74 25 community development block grant program that are allocated
74 26 for housing and any federal moneys received for the HOME
74 27 investment partnership program shall be coordinated with
74 28 projects within the housing trust fund established in section
74 29 16.181, if enacted.

74 30 Sec. 156. SMALLPOX VACCINATIONS. It is the intent of the
74 31 general assembly that public safety workers, smallpox response
74 32 teams, and others who will be required to be vaccinated
74 33 pursuant to the federal Homeland Security Act be protected
74 34 from both health-related and other results of the federally
74 35 required vaccination. The emergency management division of
75 1 the Iowa department of public defense and local governments
75 2 should work with employees in the public safety areas or
75 3 response teams to achieve the following:

75 4 1. Vaccinations should be given only on a voluntary basis.
75 5 2. Extensive screening should be employed to protect those
75 6 workers who would be at risk from current health conditions if
75 7 vaccinated.

75 8 3. Reprisals or discrimination for workers not voluntarily
75 9 receiving vaccinations should be prohibited.

75 10 4. Public employers should protect employees from loss of
75 11 income or seniority as a result of side effects from
75 12 vaccinations. Homeland security moneys received by the
75 13 emergency management division of the Iowa department of public
75 14 defense from the federal government should include a set-aside
75 15 to purchase supplemental insurance for public safety or
75 16 response employees to cover those reactions not covered by
75 17 traditional employer-provided health insurance.

75 18 5. Disability or long-term reactions from vaccinations
75 19 should be considered a work-related injury and should be
75 20 covered by local or state policies governing disability.

75 21 6. Vaccinations should be scheduled at staggered times to
75 22 allow for normal loss of staff time because of vaccination=
75 23 related illnesses without seriously hampering public safety
75 24 service.

75 25 7. Vaccinations administered in Iowa should meet the
75 26 requirements of the federal Needlestick Safety and Prevention
75 27 Act of 2000 that requires safety features in the use of
75 28 needles to administer medicine.

75 29 8. The emergency management division of the Iowa
75 30 department of public defense should coordinate efforts to
75 31 ensure adequate supplies of vaccinia immune globulin and
75 32 cidofovir and other appropriate medical care and
75 33 pharmaceuticals to protect those employees who suffer
75 34 reactions to vaccinations.

75 35 Sec. 157. CODE EDITOR DIRECTIVE. The Code editor shall
76 1 change the name of the department of public defense, emergency
76 2 management division, to the department of public defense,
76 3 homeland security and emergency management division, in
76 4 chapter 29C and elsewhere throughout the Code, including
76 5 references to the division made in law enacted by the
76 6 Eightieth General Assembly, 2003 Regular Session and other
76 7 enactments.

76 8 Sec. 158. RECORDING AND TRANSACTION FEE REPORT. The
76 9 treasurer of state shall submit a report to the governor and
76 10 general assembly on or before December 1, 2003, detailing the
76 11 amount of fees collected statewide pursuant to section 331.604
76 12 in each fiscal year of the period beginning July 1, 2000, and
76 13 ending June 30, 2003, and the amount of electronic transaction
76 14 fees collected statewide for the period beginning July 1,
76 15 2003, and ending September 30, 2003, pursuant to section
76 16 331.605C, if enacted by 2003 Iowa Acts, Senate File 453,
76 17 section 25.

76 18 Sec. 159. EFFECTIVE DATES. The following provisions of
76 19 this division of this Act, being deemed of immediate
76 20 importance, take effect upon enactment:

76 21 1. The amendments to sections 8.23, 8.31, and 8.57 which

76 22 are first applicable to appropriations made for the fiscal
76 23 year beginning July 1, 2003.
76 24 2. The amendment to section 12E.12.
76 25 3. The amendments to sections 15E.42, 15E.43, 15E.45, and
76 26 15E.51, which apply retroactively to January 1, 2002, for tax
76 27 years beginning on or after that date.
76 28 4. The amendment to section 15E.193B.
76 29 5. The amendment to section 435.26A.
76 30 6. The amendment to section 453A.2, which shall only take
76 31 effect if 2003 Iowa Acts, Senate File 401, is enacted by the
76 32 Eightieth General Assembly, 2003 Regular Session.
76 33 7. The amendments to sections 453C.1 and 453C.2 and the
76 34 related severability provision.
76 35 8. The amendments to sections 518.18 and 518A.35.
77 1 9. The section directing the department of corrections to
77 2 develop a plan for selling certain land.
77 3 10. The section relating to the sales and use tax refund.
77 4 11. The section relating to the school district
77 5 reimbursement claim.
77 6 The sections of this division of this Act amending section
77 7 80B.5 and enacting section 80B.5A are applicable to the
77 8 appointment of the director of the Iowa law enforcement
77 9 academy for the term beginning May 1, 2004.
77 10 Section 29C.8, subsection 3, paragraph "f", as enacted in
77 11 this division of this Act, and the amendment to section
77 12 29C.20, subsection 1, as enacted in this division of this Act,
77 13 take effect July 1, 2004.

77 14 DIVISION VIII

77 15 MEDICAL ASSISTANCE PROGRAM

77 16 Sec. 160. Section 135C.31A, if enacted by 2003 Iowa Acts,
77 17 House File 619, section 2, is amended to read as follows:
77 18 135C.31A ASSESSMENT OF RESIDENTS == PROGRAM ELIGIBILITY.
77 19 Beginning July 1, 2003, a health care facility receiving
77 20 reimbursement through the medical assistance program under
77 21 chapter 249A shall assist the Iowa commission of veterans
77 22 affairs in ~~determining, prior to the initial identifying, upon~~
77 23 admission of a resident, the ~~prospective~~ resident's
77 24 eligibility for benefits through the federal department of
77 25 veterans affairs. The health care facility shall also assist
77 26 the Iowa commission of veterans affairs in determining such
77 27 eligibility for residents residing in the facility on July 1,
77 28 2003. The department of inspections and appeals, in
77 29 cooperation with the department of human services, shall adopt
77 30 rules to administer this section, including a provision that
77 31 ensures that if a resident is eligible for benefits through
77 32 the federal department of veterans affairs or other third=
77 33 party payor, the payor of last resort for reimbursement to the
77 34 health care facility is the medical assistance program. This
77 35 section shall not apply to the admission of an individual to a
78 1 state mental health institute for acute psychiatric care.

78 2 Sec. 161. Section 249A.20A, if enacted by 2003 Iowa Acts,
78 3 House File 619, section 3, is amended by adding the following
78 4 new subsection:

78 5 NEW SUBSECTION. 5A. The department shall adopt rules to
78 6 provide a procedure under which the department and the
78 7 pharmaceutical and therapeutics committee may disclose
78 8 information relating to the prices manufacturers or
78 9 wholesalers charge for pharmaceuticals. The procedures
78 10 established shall comply with 42 U.S.C. } 1396r=8 and with
78 11 chapter 550.

78 12 Sec. 162. Section 249A.20B, if enacted by 2003 Iowa Acts,
78 13 House File 619, section 4, is amended by adding the following
78 14 new subsection:

78 15 NEW SUBSECTION. 5A. The department of human services
78 16 shall provide a reimbursement to nursing facilities under this
78 17 section. The reimbursement amount shall be calculated as a
78 18 per patient day amount and shall be paid to nursing facilities
78 19 in addition to the reimbursement payment specified in 2001
78 20 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
78 21 "c".

78 22 Sec. 163. 2003 Iowa Acts, House File 619, section 5, if
78 23 enacted, is amended by striking the section and inserting in
78 24 lieu thereof the following:

78 25 SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDERS.

78 26 1. The general assembly finds that the existing case
78 27 management program for frail elders administered by the
78 28 department of elder affairs is an important component of the
78 29 long-term care system in this state. The program emphasizes
78 30 the independence and dignity of the individual while providing
78 31 services in a cost-effective manner.

78 32 2. The purposes of the case management program for frail

78 33 elders include all of the following:

78 34 a. To provide planning, policy development, coordination,
78 35 and administrative oversight.

79 1 b. To provide assistance in the form of assessment and
79 2 care coordination under circumstances in which an elder or the
79 3 elder's caregiver is experiencing diminished functional
79 4 capacity or other conditions that require the provision of
79 5 services by professional service providers.

79 6 c. To maintain a system that focuses on the delivery of
79 7 home and community-based services that emphasize individual
79 8 independence, individual needs and desires, and consumer=
79 9 driven quality of services.

79 10 3. It is the intent of the general assembly that the
79 11 department of elder affairs in collaboration with the
79 12 department of human services, area agencies on aging, advocacy
79 13 groups, industry representatives, and consumers submit
79 14 recommendations to the general assembly by October 1, 2003,
79 15 regarding the redesigning of the case management program for
79 16 the frail elderly including preadmission screening
79 17 methodologies, level of care determinations and ongoing
79 18 methodologies for the coordination, provision, and delivery of
79 19 home and community-based services.

79 20 4. It is also the intent of the general assembly that the
79 21 department of elder affairs and the department of human
79 22 services coordinate efforts to resolve issues relating to
79 23 level of care determinations no later than October 1, 2003.

79 24 Sec. 164. 2003 Iowa Acts, House File 619, section 7,
79 25 subsection 4, paragraph b, if enacted, is amended to read as
79 26 follows:

79 27 b. Pharmacies and providers that are enrolled in the
79 28 medical assistance program shall make available drug
79 29 acquisition cost information, product availability
79 30 information, and other information deemed necessary by the
79 31 department for the determination of reimbursement rates and
79 32 the efficient operation of the pharmacy benefit. Pharmacies
79 33 and providers shall produce and submit the requested
79 34 information in the manner and format requested by the
79 35 department or its designee at no cost to the department or
80 1 designee. Pharmacies and providers shall submit information
80 2 to the department or its designee within thirty days following
80 3 receipt of a request for information unless the department or
80 4 its designee grants an extension upon written request of the
80 5 pharmacy or provider. Notwithstanding the required provision
80 6 of information by pharmacies and providers under this
80 7 paragraph, if the department is able to obtain any of the
80 8 information required to be provided under this paragraph in an
80 9 alternative manner, through which the department is ensured of
80 10 the validity and accuracy of the information and of the timely
80 11 submission of the information, the department may instead
80 12 obtain the information in the alternative manner. Chapter 550
80 13 shall apply to the information provided by pharmacies and
80 14 providers under this paragraph.

80 15 Sec. 165. 2003 Iowa Acts, House File 619, section 9, if
80 16 enacted, is amended to read as follows:

80 17 SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding
80 18 2001 Iowa Acts, chapter 192, section 4, subsection 2,
80 19 paragraph "c", and subsection 3, paragraph "a", subparagraph
80 20 (2), if projected state fund expenditures for reimbursement of
80 21 nursing facilities for the fiscal year beginning July 1, 2003,
80 22 in accordance with the reimbursement rate specified in 2001
80 23 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
80 24 "c", ~~exceeds~~ ~~exceed~~ \$147,252,856, the department shall adjust
80 25 the inflation factor of the reimbursement rate calculation to
80 26 provide reimbursement within the amount ~~projected~~ specified in
80 27 this section. The department, in consultation with nursing
80 28 facility representatives, shall review the projections on a
80 29 quarterly basis to determine if an interim adjustment is
80 30 necessary in order to provide reimbursement within the amount
80 31 specified in this section. In reviewing the projections, the
80 32 department shall consider the savings from the reduction in
80 33 bed hold payments, elimination of crossover claims, and
80 34 increases in Medicare part A utilization.

80 35 Sec. 166. 2003 Iowa Acts, House File 619, section 12,
81 1 subsections 2 and 3, if enacted, are amended to read as
81 2 follows:

81 3 2. The department of human services, in cooperation with
81 4 the department's fiscal agent and in consultation with a
81 5 chronic care ~~management resource group~~ consortium, shall
81 6 profile medical assistance recipients within a select number
81 7 of disease diagnosis categories. The assessment shall focus
81 8 on those diagnosis areas that present the greatest opportunity

81 9 for impact to improved care and cost reduction.
81 10 3. The department of human services, in consultation with
81 11 a chronic care ~~management resource group consortium~~, shall
81 12 conduct a chronic disease management pilot project for a
81 13 select number of individuals who are participants in the
81 14 medical assistance program. The project shall focus on a
81 15 select number of chronic diseases which may include congestive
81 16 heart failure, diabetes, and asthma. The initial pilot
81 17 project shall be implemented by October 1, 2003.

81 18 Sec. 167. 2003 Iowa Acts, House File 619, section 12,
81 19 subsection 4, if enacted, is amended by striking the
81 20 subsection and inserting in lieu thereof the following:

81 21 4. The department of human services may procure a sole
81 22 source contract with a vendor to manage individuals with
81 23 select chronic diseases following the conclusion of the
81 24 profiling of medical assistance recipients. The management of
81 25 chronic diseases for individuals under this subsection may be
81 26 coordinated with the pilot project established in subsection
81 27 3.

81 28 Sec. 168. 2002 Iowa Acts, Second Extraordinary Session,
81 29 chapter 1003, section 110, is amended by adding the following
81 30 new paragraph:

81 31 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up
81 32 to \$2,400,000 of the funds appropriated in this section that
81 33 remain unencumbered or unobligated at the close of the fiscal
81 34 year shall not revert but shall remain available in the
81 35 succeeding fiscal year to be used for additional field
82 1 operations, full-time equivalent positions and general
82 2 administration. Four hundred thousand dollars of this amount
82 3 shall be used for eight full-time equivalent positions to
82 4 provide a case manager in each of the judicial districts to
82 5 provide coordination of services for families that have a
82 6 history of methamphetamine abuse and \$400,000 of this amount
82 7 shall be used for general administration.

82 8 Sec. 169. VETERANS == DIRECTIVE. The commission of
82 9 veterans affairs shall work with the commandant of the Iowa
82 10 veterans home, the department of human services, and the
82 11 department of inspections and appeals to identify the
82 12 residents of health care facilities who may be eligible for
82 13 benefits through the federal department of veterans affairs
82 14 pursuant to section 135C.31A, if enacted by 2003 Iowa Acts,
82 15 House File 619.

82 16 Sec. 170. The section of this division of this Act
82 17 amending 2002 Iowa Acts, Second Extraordinary Session, chapter
82 18 1003, section 110, relating to certain federal temporary
82 19 assistance for needy families block grant funding, takes
82 20 effect upon enactment.

82 21 DIVISION IX

82 22 Sec. 171. PURPOSE AND DEFINITIONS.

82 23 1. PURPOSE. The general assembly finds that the Iowa
82 24 communications network is a valuable state asset that has
82 25 served the people of the state well, but which requires
82 26 significant ongoing financial support from the state in the
82 27 form of annual appropriations. The operation of a
82 28 telecommunications network is a function that can be and
82 29 generally is conducted by private enterprise. It is in the
82 30 public interest to sell the Iowa communications network to a
82 31 qualified private business enterprise that will commit to
82 32 provide the same secure low-cost high-quality service to state
82 33 and federal agencies and military installations now provided
82 34 by the network. Through such a sale, the state would
82 35 eliminate the need for ongoing annual appropriations while
83 1 preserving the key benefits enjoyed by the state under the
83 2 present state ownership of the network. The state also
83 3 expects to obtain sufficient proceeds from such a sale to
83 4 cover existing obligations and to realize additional proceeds
83 5 above the level of such obligations. Given the current
83 6 depressed state of the telecommunications industry, the state
83 7 can reasonably be expected to maximize sales proceeds by
83 8 allowing a purchaser a period of time in which to assemble
83 9 financing for its purchase. During the interim between
83 10 enactment of this division of this Act and completion of a
83 11 sale, the services of a private-enterprise manager with
83 12 experience operating telecommunications networks can
83 13 reasonably be expected to reduce the costs of operating the
83 14 Iowa communications network, thereby lowering annual
83 15 appropriations.

83 16 2. DEFINITIONS. As used in this division of this Act,
83 17 unless the context otherwise requires:

- 83 18 a. "Board" means the state network privatization board.
- 83 19 b. "Commission" means the Iowa telecommunications and

83 20 technology commission established in section 8D.3 to oversee
83 21 the operations of the network.

83 22 c. "Management contract" means an agreement between the
83 23 board and the manager for services to oversee and operate the
83 24 network on behalf of the state.

83 25 d. "Manager" means the private entity selected by the
83 26 board to oversee and operate the network on behalf of the
83 27 state.

83 28 e. "Network" means the Iowa or state communications
83 29 network as defined in section 8D.2.

83 30 f. "Out-of-pocket expenses" means moneys paid to an
83 31 unaffiliated third party for engineering, legal, consulting,
83 32 or other services or goods by a manager or purchaser.

83 33 g. "Purchaser" means the entity that is selected by the
83 34 board to purchase the network from the state.

83 35 h. "Required third-party approval" means any consent,
84 1 conveyance, approval, or waiver that must be granted by a
84 2 private, governmental, or quasi-governmental third party in
84 3 order for the purchaser to receive clear title to all network
84 4 assets and the right to use the network assets free of adverse
84 5 claims. Required third-party approvals include but are not
84 6 limited to all of the following:

84 7 (1) Approvals of assignments to the purchaser of the
84 8 state's rights under leases or contracts between the state and
84 9 the third party.

84 10 (2) Conveyance to the purchaser of property that the third
84 11 party currently leases to the state on a term with less than
84 12 fifteen years remaining.

84 13 (3) Release of restrictions in contracts that require that
84 14 the state operate the network.

84 15 i. "Sales contract" means the contract between the state
84 16 as seller, represented by the board, and the purchaser, for
84 17 sale of the network to the purchaser.

84 18 Sec. 172. STATE NETWORK PRIVATIZATION BOARD CREATED ==
84 19 DUTIES.

84 20 1. A state network privatization board is created. The
84 21 board shall consist of the following members:

84 22 a. A chairperson member appointed by the legislative
84 23 council, subject to confirmation by the senate.

84 24 b. A member, who shall not be of the same political party
84 25 as the chairperson, appointed by the governor subject to
84 26 confirmation by the senate.

84 27 c. The adjutant general or the adjutant general's
84 28 designee.

84 29 2. The board shall do all of the following:

84 30 a. Issue a request for proposals from qualified entities
84 31 interested in serving as the manager of the network. This
84 32 request for proposals shall be issued by July 1, 2004, and
84 33 responses to the request for proposals shall be due by August
84 34 1, 2004.

84 35 b. Select a manager and enter into a management contract
85 1 with the manager by October 1, 2004. The management contract
85 2 shall provide for the continuation of all services currently
85 3 being provided to state and federal agencies and military
85 4 installations pursuant to chapter 8D, at the rates specified
85 5 therein, for the duration of the contract. The contract shall
85 6 also specify the manager's authority in relation to the duties
85 7 of the commission during the period between execution of the
85 8 management contract and closing of the sale of the network.

85 9 The commission shall establish a dispute resolution process
85 10 regarding rate increases, quality of service issues, and other
85 11 areas of dispute involving network subscribers. The
85 12 commission shall also make recommendations regarding
85 13 imposition of an ongoing dispute resolution and appeals
85 14 process commencing with the closing of the sale of the
85 15 network.

85 16 c. Issue a request for proposals from qualified entities
85 17 for the purchase of the network. This request for proposals
85 18 shall be issued by January 1, 2005, and responses to the
85 19 request for proposals shall be due by May 1, 2005.

85 20 d. Utilizing the criteria set forth in sections 173 and
85 21 174 of this Act, select a purchaser and enter into a sales
85 22 contract with the purchaser by October 1, 2005.

85 23 e. Immediately upon execution of the management contract
85 24 and the sales contract by the majority of the board, transmit
85 25 the executed contract to the general assembly and to the
85 26 governor. The board shall have full authority to enter into
85 27 the management contract and the sales contract on behalf of
85 28 the state, provided that the general assembly by legislation
85 29 enacted regarding the specific purchase and approved by the
85 30 governor, within thirty days after transmittal to the general

85 31 assembly and the governor in the case of the management
85 32 contract, and within sixty days after transmittal to the
85 33 general assembly and the governor in the case of the sales
85 34 contract, may disapprove the board's action, in which case the
85 35 disapproved contract shall have no force and effect. In the
86 1 event of such disapproval, the state shall pay the manager or
86 2 the purchaser, as the case may be, reasonable out-of-pocket
86 3 expenses incurred in preparing a proposal and performing prior
86 4 to disapproval, but such expenses shall not exceed two hundred
86 5 thousand dollars in the case of disapproval of the management
86 6 contract and five hundred thousand dollars in the case of
86 7 disapproval of the sales contract.

86 8 f. Cause the sales contract to require closing by October
86 9 1, 2007, allowing time for the state to obtain third-party
86 10 approvals as required by section 176 of this Act, including
86 11 the filing of any necessary eminent domain actions, and for
86 12 the purchaser to secure financing.

86 13 g. Execute all necessary documents relating to the closing
86 14 of the sale of the network. The board may direct any other
86 15 applicable official to assist in the execution of necessary
86 16 documents relating to the closing.

86 17 h. Require by written directive that all state officials
86 18 provide information and records concerning the network to the
86 19 board, to the manager, or to a person submitting a proposal to
86 20 purchase the network, whenever the board requires such
86 21 provision of such records and other information.

86 22 i. Take all other steps necessary and proper as needed to
86 23 carry out its responsibilities enumerated in this subsection.
86 24 The board may adopt necessary rules pursuant to chapter 17A to
86 25 administer this division of this Act.

86 26 Sec. 173. MINIMUM QUALIFICATIONS OF PURCHASER. The
86 27 purchaser shall meet the following requirements:

86 28 1. The principal place of business of the purchaser and
86 29 any parent of the purchaser shall be located in the state of
86 30 Iowa.

86 31 2. For national security reasons, and because of the
86 32 extensive military use of the network, the purchaser shall
86 33 possess national security approval.

86 34 Sec. 174. CRITERIA FOR SELECTION OF PURCHASER. After
86 35 issuing a request for proposals for the purchase of the
87 1 network and considering the proposals received, the board
87 2 shall select the highest and best offer for purchase of the
87 3 network from those persons submitting proposals which meet all
87 4 of the following criteria:

87 5 1. Satisfy the minimum qualifications of this division of
87 6 this Act.

87 7 2. Submit a proposal in compliance with the request for
87 8 proposals.

87 9 3. Demonstrate a likelihood of being able to obtain any
87 10 financing necessary to close the transaction. However, the
87 11 board shall not require that the purchaser have a commitment
87 12 for financing to award the contract, but shall allow the
87 13 purchaser at least one year to obtain any necessary financing.
87 14 The board may also in its discretion consider proposals
87 15 involving financing of the sale by the state.

87 16 4. Agree to continue all services currently being provided
87 17 to state and federal agencies and military installations for
87 18 the next ten years, with any annual rate increase not to
87 19 exceed five percent per year, provided that the purchaser
87 20 shall not be required to supply at such restricted prices a
87 21 quantity or quality of service greater than that provided by
87 22 the network as of execution of the contract for sale of the
87 23 network.

87 24 Sec. 175. CLOSING OF SALE. Any debt of the state related
87 25 to the network or other liens against network assets shall be
87 26 discharged out of the state's proceeds of closing, so that the
87 27 purchaser receives marketable title to the network. The
87 28 purchaser shall receive bills of sale, in the case of personal
87 29 property, and deeds, in the case of real property,
87 30 transferring all network assets to the purchaser. The state
87 31 shall also transfer its interest in right-of-way and leases
87 32 and easements for uses of rights-of-way.

87 33 Sec. 176. THIRD-PARTY APPROVALS.

87 34 1. The state shall exercise all reasonable efforts to
87 35 obtain each required third-party approval, including where
88 1 necessary by use of eminent domain proceedings. To the extent
88 2 feasible, the state may pay the costs of obtaining required
88 3 third-party approvals out of the proceeds of sale rather than
88 4 from the general fund of the state. In the event the state
88 5 fails to obtain a required third-party approval, the purchaser
88 6 may terminate the sales contract without penalty and shall be

88 7 reimbursed by the state for reasonable out-of-pocket expenses
88 8 incurred in preparing its proposal and fulfilling its
88 9 obligations under the sales contract, not to exceed two
88 10 million dollars.

88 11 2. The board and the purchaser shall develop a list of
88 12 required third-party approvals and persons who may have claims
88 13 that would constitute required third-party approvals if valid.
88 14 The board shall mail to each person on the list at their last
88 15 known address a notice that provides a description of the sale
88 16 and invites the recipient to submit a claim on a form
88 17 developed by the board by a deadline set by the board. The
88 18 claim or interest of any person who fails to timely file a
88 19 claim shall be deemed discharged and forfeited, and such
88 20 person shall be forever barred and estopped from taking any
88 21 action against the state or purchaser that would in any way
88 22 interfere with the purchaser's use of the network. In
88 23 addition, the board shall publish the notice in newspapers of
88 24 general circulation in the state of Iowa, and failure to file
88 25 a timely claim shall bar all persons whose rights could
88 26 constitutionally be affected by such notice, just as if such
88 27 person had been mailed notice.

88 28 3. Any eminent domain or other proceeding to obtain a
88 29 required third-party approval shall be promptly filed by the
88 30 attorney general at the request of the board and shall be
88 31 added to the calendar of any trial or appellate court of this
88 32 state so that the deadline in section 172 of this Act for
88 33 closing the sale can be met.

88 34 Sec. 177. REMOVAL OF RESTRICTIONS == REPEAL OF CHAPTER 8D.
88 35 Chapter 8D is repealed, effective as of the date of the
89 1 closing of the sale of the network under this division of this
89 2 Act, as certified by the chairperson of the board to the
89 3 governor.

89 4 Sec. 178. ASSISTANCE OF OTHER STATE AGENCIES.

89 5 1. The attorney general shall provide legal advice to the
89 6 board.

89 7 2. All other state agencies shall provide whatever
89 8 assistance may reasonably be required by the board in carrying
89 9 out its duties under this division of this Act.

89 10 DIVISION X

89 11 GOVERNMENT ORGANIZATION REVIEW COMMITTEE

89 12 Sec. 179. Section 331.264, subsection 1, unnumbered
89 13 paragraph 1, and paragraphs a through d, if enacted by 2003
89 14 Iowa Acts, Senate File 390, section 25, are amended to read as
89 15 follows:

89 16 A local government organization review committee may be
89 17 created in a county having a population in excess of one
89 18 hundred thousand. The committee shall be composed of the
89 19 following members:

89 20 a. Three city council members appointed by the city
89 21 council of each participating city with a population of
89 22 twenty-five thousand or more.

89 23 b. Three county supervisors appointed by the county board
89 24 of supervisors.

89 25 c. One city council member appointed by each participating
89 26 city with a population of less than twenty-five thousand.

89 27 d. One member shall be appointed by each state legislator
89 28 whose legislative district is located in the county if a
89 29 majority of the constituents of that legislative district
89 30 reside in the county. However, if a county does not have a
89 31 state representative's legislative district which has a
89 32 majority of a state representative's constituency residing in
89 33 the county, the state representative having the largest
89 34 plurality of constituents residing in the county shall appoint
89 35 a member. The member appointed by each state legislator shall
90 1 be a person who is not holding elected office and who is a
90 2 resident of the legislative district of the state legislator.
90 3 If any portion more than one-half of the population of a
90 4 legislative district is in the unincorporated area of the
90 5 county, the member appointed by that legislator shall be a
90 6 resident of the unincorporated area of the county.

90 7 Sec. 180. EFFECTIVE DATE. This division of this Act,
90 8 being deemed of immediate importance, takes effect upon
90 9 enactment.

90 10 SF 458

90 11 mg/cc/26